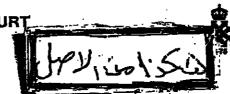
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ENERAL

BUSINESS

Vlugabe 'efuses franc easefire remains or Queen

ie Mozambique based wing of a Patriotic Front led by bert Mugahe says it will not bert Mugabe says it will not European Monetary System, in serve a ceasefire during the spite of last week's increase in earlier to the Common lending rates. The Belgian ealth Conference in Lusaka national bank intervened ext month.

This was revealed as Abel uzorewa, the Zimbabwe Rho-sia Prime Minister, left Salisrry for visits to the U.S. and ritain. He said he would press r international recognition of the removal of sanctions

He will spend two days in e U.S. before flying to London ad meeting Margaret Thatcher.

ule in Lendon

ormer Ugandan president usufu Lule was expected in ondon last night. He was seen f at Dares Salam apport by esident Julius Nyerere after ending two weeks in deteriny profit on in Tanzania

..... rafat row

row broke out between Israel and Austria because Changellor reisky and the West German scialist leader and president the Socialist International, filly Brandt, met PLO chief assir Arafal for talks in ienna. Israel recalled its nbassader from Vienna, Page 2

.abour change

itensive lobbying of the ade unions to secure a change 1 the Leftward balance of the a our Party's National Execu-te Committee ass been unched with the backing of ames Callaghan and moderate tembers of the shadow eabinet.

Blast kills boys

wn boys aged 15 and 16 died n Belfast when a lorry loaded ith firelighters and aerosol. ans exploded after they had pparently broken into it. Police nink they were trapped and cruck a match to try to find way out.

lefugee ship

Poison probe

to be questioned in the Com-tons tomorrow on Britain's lleged involvement in developperations. The question by bank's finant about MP Stanley Newen, Back Page ollows a remark by an American expert at a Senate inquiry.

resident Sandro Pertini will to which any have a direct impact lesignate for Tialy, following Page he abandonment by Sen. Guilo indreotti, the outcomes indreotti, the outgoing-remier, of his attempts to form government. Page 2

Cost conscious

Demand for large second-hand firmed a sizeable new oil find ars with high fuel consumption in the country's desert eastern ars declined sharply following province Back Page petrol price rises. The publishers of Glass's Guide, which OIL EXPLORATION, a small ishers of Glass's Guide, which

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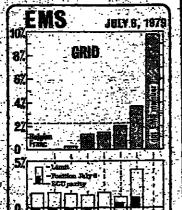
Actor Michael Wilding died ifter a fall at his home near Chichester. He was 67. Former U.S. President Richard

ionated \$100,000 (£45,454) to nemory of actor John Wayne, Senator Hubert Humphrey and ther victims.

Belgian

weak

 BELGIAN franc remained the weakest member of the heavily in foreign exchange dealings, without much lasting impression. On Friday the Bel glan franc was inside its warming divergence limit against the ECU central rate.



constraints on exchange rates within the European Monetary System—the "grid" of cross tates from which no carrency (except the Lira) may more more than 24 per cent, and the ratifing degrees by which continued the continued to the conti

currency may diverge from its central rate byainst the ECU. itself a basket of European currencies. The grid is always shown by reference to the weakest currency in the system which is the base line in the too chart. in the top chart.

TRANSPORT Department officials are at present working on a transport Bill, not expected before the summer recess, which will mckide moves to sell shares in the National Freight Corporation, give bus operators more competition and tighten the drink and drive laws. Page 6

rench hospital ship He de INTERNATIONAL Account-umiere is beading for Singa ing Siandards Committee dis-ore with 900 Vietnamese refu cussion paper on international ees picked up from boats in bank accounting practices is not being given the support from being given the support from the Basic Committee of Bank-ing Supervisors its authors had sought. The paper considers the need to harmonise bank financial reporting standards and offers suidelines for the development of disclosures in bank's financial statements.

> PRESIDENT CARTER has railed U.S. business leaders to Camp David in his search for

Saudi find confirmed

· SAUDI ARABIA has con-

ndicates used car values, say British oil company, is to try here has been both a slowing to find and produce oil from an of sales and a fall in value on onshore area near Edinburgh, arger models. Page 4 where BP and the Gas Council found small quantities of oil and gas in the 1950s. Page 6

> • IRAN has said it is prepared to accept payment for oil in hard currencies other than the

Vixon and his wife-Pat have CIVIL SERVICE scientists and technicians will today begin he American Cancer Society in further selective strikes in support of their pay claims which are expected to disrupt power supplies to service estab-Cow in Soldo, in the Italian lishments, MoD communications Alps, swallowed a man's jacket and House of Commons facili-containing DM 18,000 (£4,090). ties. Page 6

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Post Office: A monopoly on Computers: Bright future For machines that talk ... 13 risk in electronics 9 Justinian: A British closed doctrine

shop case goes to Strasbourg 10 Editorial comment: East For machines that talk ... 13 bloc rigidity; MPs' pay 12 Vianagement Calculated Lombard: Samuel Brittan on a strong case for

hilding Notes SURVEY ical Page ...

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Egypt appeals for \$18.5bn to offset Arab boycott

BY ROGER MATTHEWS IN CAIRO

The Egyptian Government has predicted grave consequences for its economy as a result of the Arab boycott, and has appealed to the world's main industrialised nations to provide \$18.5bn over the next five years to prevent delays in the progress of peace."

taken, few economists estimated

in the short term.

half.

Government of President Anwar Sadat warned that Egypt's whether Egypt is either willing or able to repay them. overall balance-of-payments deficit this year could climb to balance-of-payments \$5.4bn, compared with \$1.9bn

These revised projections for 1979 were based on three main assumptions stemming from the Arab boycott imposed after the peace treaty was signed with Israel.

Export fears

First, that exports might decline by about 8 per cent, while imports would drop by about 3 per cent.

Second, the probability that remittances sent from Egyptian workers abroad, and tourism, would both be badly hit. Egypt estimates that remittances may decline by \$1.125bn and tourism earnings by \$450m, that is to half their 1978 value. Third, Egypt assumes that

Arab deposits at the Central Bank totalling \$1.9bn will be

In a document sent to the confirmation for the first time listed the amounts it has seven leaders at last month's that Arab bank deposits amount-summit meeting of indus-ing to \$100 have already been trialised nations in Tokyo, the recalled, though it does not say This includes \$3.75n in direct forganging the property of President Anyear whether Forgat is either willing.

aid from governments, concessionary project loans from various Arab funds of \$725m, a The grim picture painted by the Egyptian Government con-trasts both with its own public sation for the Development of statements and with the projections of other organisations such at the Central Bank. as the International Monetary Fund and the World Bank.

Lost loans

While there is widespread agreement that the economy faces serious difficulties that In addition Egypt says that the Gulf Organisation had premay worsen in the next 12 viously agreed to re-lend to months if no official action is Egypt the interest and principal on the \$2bn on a revolving basis, that the Arab boycott would lead to such dire consequences and this "would have provided for Egypt an additional sum of \$2.7bn, which is the amount of Mr. Sadat announced some principal and interest of the

months ago that he was launching a five-year \$15bn "Carter Plan" to assist Egypt's econ-The decision by Saudi Arabia Oatar and the United Arab omic development, a figure that Emirates to withdraw from the has now been increased by his Government by \$3.5bn.
Egypt received nearly \$2bn Arab Organisation for Industrialisation, the budding arms industry in which British and in all forms of aid last year, with the U.S. providing about U.S. companies participate, would further cost Egypt the U.S. potential benefits of investments To demonstrate what Egypt worth about \$1.5bn, according is losing as a result of the cut-The document provides official off in Arab aid, Cairo has also to the Sadat Government.

Union declares war-sa labour law changes

BY ALAN PIKE, LABOUR CORRESPONDENT

GOVERNMENT proposals for changes in employment law, due to be outlined today, are guaranteed to run into immediate opposition from Britain's biggest union.

The executive of the Transport and General Workers' Union has unanimously approved a resolution for the union's conference which opens in Scarborough this morning urging the TUC to "mobilise martinum trade union resistance" to the proposed changes. It pledges "full support for the strongest possible defence of basic trade union rights."
It is likely that the executive resolution, which accuses the Government of intending to restrict trade union activity through legislative measures and to penalise the families of workers involved in industrial action will be debated by

delegates tomorrow.

The Government's intention to amend certain key areas of labour law was spelt out in the Conservative election manifesto. Today the Government is expected to outline its general thinking in a discussion paper from the Department of Em-

This document will provide a basis for detailed consulta-tions which Mr. James Prior,



Mr. Harry Urwin: He hopes the Government will not get into a 1971 situation.

having with both sides of TUC. industry preparatory to the He tabling of a Bill in the autumn. is unlikely to produce any either content or omissions. Action to contain secondary

picketing, tight conditions for the introduction of future closed shops, with improved redress for the individual, and proposals for financial assistance to unions wishing to use secret ballots can be expected to be included.

The executive of the Transport and General Workers' Union is in a particularly strong position to know what to expect from the discussion paper. Mr. Harry Urwin, the union's deputy general secretary, is chairman of the TUC Employment Policy and Organisation Committee.

This committee has been involved in informal discussions with the Government and will be in the front line of the forthcoming debate on proposed

changes Mr. Urwin said yesterday that the Conservative manifesto had made it clear that the Government wanted to reduce the bargaining power of unions, and the proposals were likely to prothe Employment Secretary, is duce a strong reaction from the

He hoped the Government would think carefully and "not abling of a Bill in the autumn.

The Government's document get into a 1971 situation again."

In 1971 the last Conservative great surprises in terms of Industrial Relations Act met concerted resistance from the

Treasury Minister for U.S. talks on unitary taxation

BY DAVID FREUD

ranging talks on unitary taxa-

The visit is the result of inagainst the principle of unitary taxation, which assesses comportion of their worldwide income rather than local profits. A group of 40 major British companies has called for the long-delayed U.S.-UK double tax treaty not to be considered by the Commons until there are firm moves in the U.S. to curb states' use of this method of

The Confederation of British Industry announced yesterday he aims to look at four specific that it had written to the Chancellor again expressing deep concern about unitary tax. It said that the proposed treaty would open the door to such taxation on UK companies in alifornia.

in an attempt to establish the add to its difficulties for the same of sepected to standing of the proposed Matcertain American States, such as

State to the Treasury, is to visit following recent approval by its which reduces states rights to the U.S. in September for wide-The treaty has become in-

clause preventing states apply- able case were brought, ruling creasing agitation by UK coming this form of taxation to least few weeks The clause was thrown out

last summer by the Senate, and panies on the basis of a pro- a revised text, in the form of a protocol, drafted. If, as expected, this protocol is approved by the Senate, the of approach there. Government plans to bring it

before the Commons after the between the two Governments recess, which ends in mid-October. A full debate is likely. in view of the concern expressed by MPs. In the meantime Mr. Rees will have visited the U.S., where

areas in the controversy over unitary taxation. He will hold talks with the

Federal authorities on prospects of legislation to curb the prac-Secondly he will see senators

MR PETER REES, Minister of ratify the revised treaty today thias Bill on state taxation, unitary basis.

tanging talks on unitary maximized in the unitary tax question; which some individual volved in the unitary tax question. He will also try to establish the american states are applying to tion because as originally whether there are properts of drafted in 1975 it contained a tien Supreme Court, if a suitunitary taxation of foreign companies unconstitutional. Finally, time permitting, he

may go to California to discover how the state puts unitary taxation into effect, and what are the prospects of a change There is little disagreement

and the UK companies on the undesirability taxation. However, the tactical argument of the companies that pressure should be put on the

U.S. by using the double tax treaty is believed to be dangerous, given the political climate of Washington. A U.S. Administration whose first priority is the battle to push an energy policy through Congress cannot be expected to

Post Office loses £35m on telegram services

BY JOHN LLOYD

The Post Office telegram services lost about £35m over the past financial year. Inland telegrams accounted for £10m of the loss and overseas tele-

In the previous year inland telegrams lost £8.5m and overseas telegrams £26m.

The Post Office has comcomitted itself to keep the service going in spite of the heavy losses. There has been a slight improvement in volume of inland telegram traffic—up from 3.2m in 1977-78 to 3.3m in 1978-79—but a fall in overseas traffic, from 13.9m to 12.8m.

Decision

In an attempt to increase profitability on overseas telegrams, the corporation has told the three private international telegram operators that their licences—due to run out in 1981—will not be

It is believed that Sir Keith Joseph, the Industry Secretary, has been asked to review the decision in the course of a general study of the Post Office's monopoly.

The three private concerns are Western Union, Commercial Cable and PQ Cable. All have operated under licence from the Post Office since the nationalisation of cable traffic ir. 1947.

Reconciled

Mr. Derek Ralph, London manager of PQ Cable — a subsidiary of a French company said that traffic had been some time, and that the company was reconciled to losing its cable traffic.

It has created PQ Telesystems, a company which operates a telex bureau service, where there is considerable growth. "We will leave the cable

business with some regret, but it is a shrinking market. We appealed against the decision at the time, but the Post Office holds all the strings."

A monopoly goes on trial, Page 13

Bonn attacks **EEC** farms surplus policy

BY JONATHAN CARR IN BONN

reforming the Common Agricul-tural Policy is gaining ground in West Germany, Count Otto Lambsdorf, the Economics Minister, has criticised surplus agriculture production and suggested bow the problem might be eased.

His comments are significant, not only because they were made before about 13,000 German farmers holding their national conference at Muenster this weekend, but because he has at last openly criticised aspects of a policy long defended by his party colleague, Herr Josef Ertl, the Agriculture

Minister. Both men are members of the small Free Democrat Party, whose leaders have for a long time held back from attacking the CAP publicly, so as not to complicate Herr

Eartl's position. However, it is now being recognised — even by Herr Ertl — that if surplus pro-

in the general income improvment in West Germany. But man farmer he questioned whether this than before.

IN A new sign that support for improvement should be a dependent on increases in farm prices as at present.
The market simply did not permit price increases in some key products, he said, and regulations could not function

properly when more was being produced for sale into intervention at a guaranteed price than to match real demand. He also warned that the EEC's agricultural export policy (under which surplus products are sold in other markets at subsidised prices) could damage

prospects of successful talks between European nations and raw materials producers.
Count Lambsdorf said he seriously wondered whether direct income support for farmers with surplus produced and the introduced as a seriously may be introduced as a seriously may be introduced as a seriously may be introduced. could not be introduced as a substitute for the partial

present reliance on price increases. This suggestion was promptly ejected by the German armers' Association, which rejected Farmers' duction continues to mount at insisted that price policy must remain the central instrument

remain the central instrument remain the central instrument of agricultural income policy.

The association complained that following the recent EEC that following the recent EEC that following the recent EEC that price decisions in Luxemfarmers had a right to share farm price decisions in Luxembourg, the position of the German farmer was more precarious

Imported cars take 56% of market

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

56 per cent of he new car turers and Traders. market in June, a month when many other records were

Official industry statistics show that total sales topped 200,000 for the first time in any month. At 200,172 they were 51 per cent up on June, 1978, vious peak of 155,484 in June,

As previously reported, the six months to June were the first new cars were registered.

Importers' market penetration reached a record 55.44 per cent in the half-year, up from 47 per cent at the same stage last year. The first-half total of 1,031,330 new cars registered was 19 per cent higher than in 1978, accord-

IMPORTERS WON a record the Society of Motor Manufac-

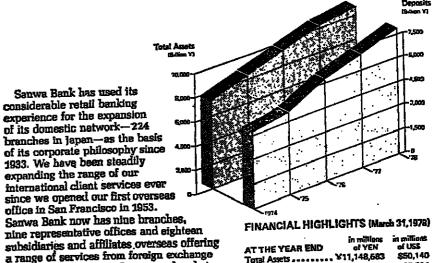
In June this year, "captive" imports by UK-based manufacturers reached 16.7 per cent of the market. Ford took a 12.76 per cent market share with cars from Belgium, West Germany, Ireland and Spain.

Cars assembled totalled 25,554 out 52.874 Ford cars or 48.3 per cent of the group's registrations.

Ford lost some of its market share in the month, with a 26.4 half-year in which more than 1m per cent penetration. The Fiesta and Cortina were in short supply, possibly because of changes being made for the introduction of a "facelifted" Cortina in September.

Ford can usually count on selling 22,500 Cortinas a month. Continued on Back Page ing to the figures published by Car registrations table Page 4

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Stogsport, Manila, Jakarta, Sydney, Honolutu, San Francisco, Oskland, Sacramento, San Jose, Mountain View, Lot Angeles,
Chicago, New York, Houston, Toronto, Panarna, São Pasio

A FIERCE ROW has broken in occupied Arab territories Vienna is seen in Lebanon as a out between Israel and Austria Both Dr. Kreisky and Herr major victory for the PLO. Some because of talks here over the Brandt, who talked with Mr. sympathisers compared the talks because of talks here over use weekend involving Chancellor Bruno Kreisky, Herr Willy Brandt, president of the Socialist International, and Mr. Arafat leader of the recognition of legitimate irghts, including self-determination for

The Israeli Government has recalled for consultations Mr. Yakov Doron, its ambassador in test with the Austrian charge d'affaires in Tel Aviv against what it called "a demonstrative act against the Jewish people and Israel."

Both Herr Brandt and Dr. Kreisky stressed yesterday that the meeting with Mr. Arafat was arranged in accordance with a resolution of the bureau of the Socialist International which last autumn authorised its presi-dent to establish contacts with

Chancellor Kreisky, as vice-president of the Socialist International, headed three fact-finding missions to the Middle East in 1975-77 and met Mr.

He also played host at a meet-ing between President Sadat Zambia. and Mr. Shimon Peres, the Israeli Labour Party leader, in

Salzburg last year Herr Brandt said yesterday he would submit a

including self-determination for the Palestinians, was tanta-mount to destruction of Israel. Herr Brandt added that no one

had the right to doubt his or Dr. Kreisky's loyalty to their friends in Israel. But the fact that Dr. Kreisky welcomed Mr. Arafat at Vienna

Airport was seen by Israel dip-lomats as an added insult. Thsan Hijazi reports from Beirut: Mr. Arafat's visit to

to - Mr. Arafat's appearance before the United Nations General Assembly in 1974.

A PLO spokesman said the invitation to Mr. Arafat was reflected European disapproval of the U.S. policy of ignoring the PLO in current moves for a Middle East solution.
L. Daniel writes from Jeru-

salem: Mr. Menahem Begin, Israel's Prime Minister, and Mr. Peres, leader of the Opposition, are to issue a joint statement to the Knesset today condemning the meeting between Dr.



Yassir Arafat–

No ceasefire for Queen-Mugabe

Mozambique-based wing of the Patriotic Front has said it will the Queen's visit to the Zimbabwe Rhodesia during the Commonwealth Conference in conference.

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ROBERT MUGABE'S tion would not follow the lead against the Zambian people or bique-based wing of the of Mr. Joshua Nkomo, who said security forces. his Zambian-based guerrillas

Zambia.

In Salisbury, Bishop Muzo
Bishop Abel Muzorewa, the
Rhodesian Premier, has meanwhile pledged that his security
forces will take no action that
would endanger the Queen of coursence.

In Salisbury, Bishop Muzo
rewa said he would be prepared and Britain, Bishop Muzorewa
to respond positively to any
told a crowd of 4,000 that those
who maintain trade sanctions
against his country were "sick
in the head."

that he would submit a detailed report to the Socialist International on the Vienna An official of Mr. Mugabe's talks and would recommend the continuation of contacts with the PLO. In a communique all three men expressed "extreme concern" over Israeli settlement of the settlement on contacts with the plot of the organisation of contacts with the plot of the annual conference of the Organisation of contacts with the plot of the annual conference of the Organisation of the annual conference of the Organisation of the organisation of the annual conference of the Organisation organisation organisation of the organisation organisation organisation organisation of the organisation organisation organisation organisation organisation organisation organisation organisation organisatin

The Queen is due to start her nine-day visit to Zambia on July 27 and the conference opens on August 1.

YOUR AIRLINE TO THE

U.S.A. SUNBELI

New Italian **Premier** to be named today

President Sandro Pertini will today name a new Prime Minister-designate for Italy, after the weekend abandon-ment by Sig. Giulio Andreotti, the outgoing Premier, of his attempts to form a new

Government.
The intense speculation and total uncertainty surrounding the President's decision are a sign of how intractable Italy's political crisis remains, just a month after the inconclusive General Election of early

Sig. Pertini has the choice of asking another Christian Democrat to try where Sig. Andreotti failed — or for only the second time in over 30 years call on a non-CD " lay politician to attempt to end the six-month period Italy has been without a Government with Parliamentary backing. The first course runs the

The first course runs the risk of another Socialist veto of the type that put paid to Sig. Andreotti. But it is doubtful that the Christian Democrats would accept losing the influence and prestige of the Premiership. Meanwhile, negotiations were continuing yesterday to try to break the deadlock try to break the deadlock between unions and management over a new wage con-tract for the country's 1.5m

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DC-10 checks may result in resumption of flights

BY JOHN WYLES IN NEW YORK

EIGHT U.S. AIRLINES whose to have been the ripping away 138 DC-10s have been grounded of the left wing engine on take-since June 6 have begin a new off, the fact that the hydraulic round of inspections ordered by the Federal Aviation Admini damaged, causing the left wing's stration (FAA) which, it is slats to retract when the engine hoped, will clear the way for was torn away, has been a

tions to be the most thorough that the slats on one wing were since the crash of the American no longer extended, but that Airlines DC-10 at Chicago on if they had been aware of it, May 25 which claimed 273 lives.

With each new inspection to have been maintained. With each new inspection to be supervised by an FAA inspector, the aircraft are being

subjected to about six hours' scrutiny each, with the principal focus again being the pylons which attach one engine to each wing of the aircraft. But the carefully-worded FAA statement avoided committing the agency to a prompt re-certification of the DC-10 if the U.S. operated aircraft gain a clean bill of health from the

inspections.
"Other inspections—and even design changes—could be required before the planes fly again," the agency said.

The FAA's diffidence is

believed to stem from its anxieties about the DC10's slat system—the leading edges of the wings which are extended to give maximum lift on take-

Although the immediate cause of the Chicago crash is believed

system controlling the slats was damaged, causing the left wing's.

Flight simulator tests have reportedly shown that the effect of asymmetrical slats can be overcome, except at very low take-off speeds.

mechanisms to provide an ex .safeguard. the aircraft to resume operations.

The evidence suggests that attached to the ving that the most thorough that the slats on one wing an expected to the comprise that the slats on one wing an expected to the comprise that the slats on one wing an expected to the comprise that the slats on one wing an expected to the comprise that the slats on one wing an expected to the comprise that the slats on one wing an expected to the comprise that the slats on one wing an expected to the comprise that the slats on one wing an expected to the comprise that the slats on one wing an expected to the comprise that the slats on one wing an expected to the comprise that the slats on one wing an expected the comprise that the slats on one wing an expected the comprise that the slats on one wing an expected the comprise that the slats on the comprise that the design changes the PAA

want to see. Most observers do not be that the FAA will insur-modifications to the grounded aircraft before a can fly again. But usin FAA makes its position the possibility cannot be in

France strengthens links with Iraq

THE OFFICIAL visit which M. Raymond Barre, the French Prime Minister, is at present paying to Iraq, is expected in-Paris to lead to both closer economic and political relations the two countries is list? with a country which is one of important item on the ag France's main oil suppliers of the talks. after Saudi Arabia.

After an agreement earlier pared to supply a newlex this year, Iraq has undertaken mental reactor to frag the to step up its oil deliveries to place the 70 MW Osiris reactor to 25 per cent to 25 m. It is not clear, however, when tonnes, thus providing France the new reactor would in with more than one-fifth of its highly enriched uranium total requirements for imported produces plutonium fuels

To pay for these imports, ture of atomic weapons France has made no secret of its desire to step up its arms sales to Iraq. Negotiations for a package of

French Mirage F-1 fighters and other arms, estimated to be worth nearly £800m, were completed by the French and Iraqi Defence Ministers during talks economic reasons for delega-here in May this year. On the political feed The Iraqis are also reported Franco-Iraqi relations has

to be interested in purchasing much improved because France's latest military plane, France's public reservation the Mirage Delta 2000. about the Camp David agree But it is not certain whether ment between Israel and Egypt any specific contracts will be

signed during M. Barre's visit Iraq looks on France, which he to Baghdad, where he has bad talks over the weekend with Middle East settlement me Mr. Saddam Hussein, vice include a satisfactory solution president of the Revolutionary of the Palestinian problem. Command Council and effective its main, if not only friend head of the Iraqi Government. the West.

could be used for the me The French Government been insisting lately on controls over exports of no equipment to prevent the liferation of nuclear wear France is believed to be likely to make an exception

Iraq. nowever siro economic reasons for doll There can be little doubt the all along insisted that a

Strauss no easy opponent Schmidt warns party

CHANCELLOR Helmut Schmidt policy statements—for example has warned his party it could pay dearly if it underestimated Herr Franz-Josef Strauss, the opposition's new candidate for the Chancellorship in general

elections next year. Breaking his silence on the nomination for the first time, Herr Schmidt told Social Democrat Party (SPD) supporters at the week-end that Herr Strauss

was no easy opponent.
It would be dangerous to essume that many voters had nade up their minds in advance to reject Herr Strauss, and that therefore the SPD could relax its election campaign efforts. The Chancellor made clear he

opposed dragging out again past political matters with which Herr Strauss's name has been associated. Instead, the SPD

on foreign or union affairs Herr Schmidt's comment reflect fears in the Government coalition camp that too man party workers may be incline to write off Herr Strauss as bogey man" and leave his to make self-destructive mi

takes. Comments by Herr Strauss the week-end indicate he moving carefully to ensure sol darity from all sectors of the opposition, even those who d not normally espouse his mor

Right-wing views. He had words of praise for Dr. Helmut Kohl, the middle of the-road Christian Democrat who has long been a rival. H rejected suggestions, comin notably from his own Bavaria Christian Social Union (CSU) party, that Dr. Kohl should not should carefully dissect and give up his leadership of the publicly challenge Herr Strauss's opposition group in Parliament give up his leadership of the

Explosion highlights threat to Iran's oil pipelines

BY OUR OWN CORRESPONDENT

Iran's national oil company was unable to account yeste day for an explosion that ripped through an oil pipeline and wrecked a gas line and several other oil lines between terminal of Bandar Mahshahr

Suggestions of sabotage by various political groups rippled through the nervous political community in Tehransoon after the explosion on Saturday, but information from the south indicated that it was an accident.
An official of the National

Iranian Oil Company said the flow of oil and gas in the pipeline was stopped immedi-Fire fighting units from Abadan and Bandar Mabshahr were burried to the

area and the major blaze was brought under control within an hour. Oil that had spilled in the desert continued to burn for many hours. No casualties were reported.

Estimates of the loss of oil ranged from 20,000 barrels to 100,000 barrels. Officials re-ported that there had been no interruption in the flow of exports because of reserves in stock. Oil engineers said the damage could probably be re-paired in a couple of days. NIOC officials dismissed the

fire as " not very serious" but the incident pinpoints the valnerability of oil industry installations. The hundreds of miles of exposed pipelines MOC has been increasingly

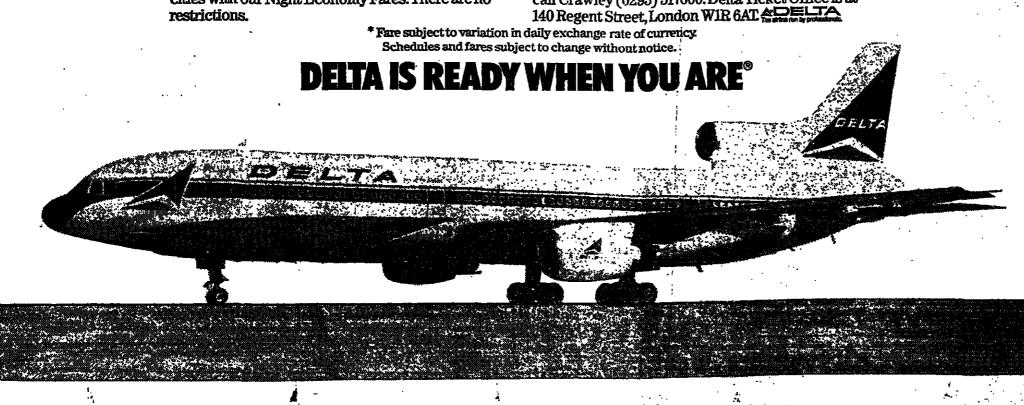
Budget protest strikes hit Pakistan cities

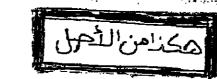
A GENERAL strike to protest at last month's Budget passed off in Pakistan yesterday without major incident, although many cities and towns were affected. Simon Henderson reports from Islamabad.

Karachi was almost pletely shut down. The Govern-ment run bus service still operated, but taxis and mini_' buses were off the roads. Two buses were reported burnt by lemonstrators and tyres were

Elsewhere the strike, organised by the Pakistan National Alliance, which resigned from the Government in April, was less complete. Protests at the IIIcreases on fuel, cooking oil, and milk powder has already prompted President Zis to call a meeting of industrial leaders

FINANCIAL TIMES, publish





It is significant, too, the same is accompanied by a Michel Pecqueur, the beauty

France's Atomic Energy Commission, which suggests the process of the process of the commission of the . The French appear to be in

U.S. hopes pact will bring this rapid rise in China trade rapid rise in China trade

BY DAVID BUCHAN IN WASHINGTON

U.S. TARIFFS on Chinese goods estimates that, with the new to try to grant most-favouredwill drop sharply from the agreement likely to come into nation status. present average of 24 per cent effect early next year, total to an average 5.5 per cent, moder two way U.S. China trade could the framework trade agreement expand from around \$2hn this signed over the weekend be year to \$5bn by 1985, tween the two countries. It would give Chinese exports balance of that trade will conmost-favoured-nation, or non-tinue to run in favour of the discriminatory, tariff treatment U.S., with U.S. exports reaching in the U.S. market.

By contrast tariff benefits for exports to the U.S. \$1.5bn. the U.S. will be minimal. That is in the context of the Government officials in Washington say because China has U.S. has run for several y no structured tariff code and with the rest of the world. U.S. exports to China are prob. However, the Carter Asset ably capital intensive enough to escape duties, even if it had.

But the U.S. sees gains for business in parts of the pact governing patents, trademarks, copyrights, allowing the U.S. to set up official and private trade offices in Peking, and letting Bank credit concessions to U.S. companies compete in the Communist countries that do U.S. companies compete in the Chinese market on an equal basis with their West European and Japanese competitors.

the Chinese in May, halled it be waived, Mr. Carter may want as a significant contribution to move cautiously to avoid ore and non-ferrous metal mining out. S. Chinese irritating the Soviet Union, to expanding U.S. Chinese irritating the Soviet Union, to economic ties. Her department which he had earlier promised port equipment.

. Its estimate is that the \$3.5bm by 1985 and Chinese U.S. has run for several years

However, the Carter Adminiswhen it will submit the China trade pact to Congress for approval. President Carter has case of China the Jackson-Vanik amendment that bars U.S. tariff and Export-Import not permit free emigration.

While there is little doubt in

The Soviet Union has offered no assurances so far to the U.S. on its emigration policy. But it might take offence at the U.S. China trade agreement and this could prove politically awkward as the SALT debate starts in the U.S. Senate.

Assuming the Jackson-Vanik amendment is waived for China by Congress, which will have 60 days to consider the trade agreement once it is formally sub-mitted by the Administration, the Export-Import" Bank will be free to offer credit and loans on export deals to China. But officials say this will be done on a case-by-case basis. The U.S. will not be offering Peking a general government-backed line of credit, as many West to European countries have done.

More than half U.S. exports to China this year will be agricultural, between \$700m and and Japanese competitors. the Administration or on \$900m, the commerce depart-Mrs. Juanita Kreps, the U.S. Capitol Hill that China's ment estimates. But it also sees Commerce Secretary, who emigration policy is liberal strong export potential in initialled the agreement with enough for that amendment to several industrial and construc-

SHIPPING REPORT

Cargo rates enter stable phase

Firmness in dry cargo

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

World Economic Indicators

277.5

131-7 124.9

RETAIL PRICES

213.0

324.2

upwards last week on the seen for a long time, strength of a heavy volume of Outlook remains uncertain, inquiry, but day cargo rates however, with a large number seem to have entered a stable of ships due to arrive at loading terminals. In the medium term,

A very large crude carrier of the increase in all output from 250,000 dwt was chartered from Saudi Arabia should help to the Gulf for a weshward voyage underpin tanker markets.

TANKER RAITES bobbed good a rate as the market has markets is still principally due to grain business, although with higher steel production forecast in Japan, some assistance is carriers.

There is still, however, no sign that owners of dry cargo ships are ready to go for period charters.

For British owners, there is the increasing and un-accustomed problem of the

strength of sterling. This is perhaps one consideration behind the progressive sale London and Overseas Freighters' fleet of SD14 cargo

Another agreement hs been made by shipping lines serving Europe and the Middle East in an effort to consolidate rates and prevent cut-throat competition. Seven of the largest con-tainer and "ro-ro" carriers

U.S. jeans companies seek Soviet plant deal

By Stewart Fleming in New York

THE THREE leading U.S. blue jeans manufacturers have been asked to bid on a contract to help Russia build a plant which would supply the Soviet Union seen by that country as symbolic of Western decadence.

The Russians do not appear to be interested in having a factory built to produce jeans with the names of Halston, Gloria Vanderbilt or Anne Klein plastered on them. Instead Levi Strauss of San Francisco, Blue Bell of Greensboro, which Wrangler jeans, and the VF Corporation, which sells under the Lee Label, are the Soviet Their wares sell at around \$20 per pair.

The manufacturers are not releasing details of their negotiations, but all seem agreed that there is, as a Blue Bell official put it, tremendous demand for olue jeans in the USSR.

Issues which will need to be resolved, however, are who will operate the new plant and who will own it. The market may be big, but U.S. corporations are

UK assets at risk in Iran

The UK's Export Credits Guarantee Department could be faced with major claims under its overseas investment insurance scheme if Iran goes ahead with announced plans to nationalise all foreign interests.

ECGD's current liabilities in Iran, almost all on equity investment, amount to well over £7m, mainly in comparatively small amounts in joint venture companies. Total foreign assets from all countries, at risk in Iran amount to around £500m. The spread of investments covers a wide range of industry. and since equity holdings have been restricted to minority individual company losses are not expected to be

great in most cases. One company which would suffer is BL's Leyland Vehicles, which has a 7 per cent share in an Iranian truck company, and between the UK and Jeddah say a 26 per cent share in a diesel that from August they will engine concern At present both taken against unfairly priced a 1970=100 operate on a common tariff and are being run by Government imports into the UK and the

ISRAEL'S TRADE

Learning to live with a deficit

economic preoccupation and one against a rise in imports of only which the country has lived 11 per cent to \$1.03bn. with since its establishment.

Israel succeeded in reducing the visible trade gap during tackling the problem by reduc-1976 and 1977 bringing the deing imports. Some 25 per cent ficit down to \$1.73bn (£779m) of the import bill goes towards from its 1975 peak of \$2.28bn. defence. Last year this was up The But its visible trade deficit was nearly 48 per cent and, even now up again last year to \$1.89bn, and was markedly higher in the first quarter of this year.

Mr. Meir Livnat, director of the foreign trade division of import virtually all its raw Israel's Ministry of Industry, materials. Oil and minerals Trade and Tourism, ack-account for some 12 to 13 per nowledges that the widening cent of imports and will have deficit is a problem which Israel prospect of reducing the that the trade deficit does not become an insurmountable problem in the longer term.

increas of 25 per cent on the labour. previous year, when the growth in exports was higher, at 32 per increase of 25 per cent on the cent of the total. (excluding diamonds) was only 2 per cent compared with an sector is consumer goods. Last ports to the EEC are agriculy ears, average gain of 17 per cent in year these imports were up 22 tural products. the two preceding years.

Imports, meanwhile, rose 19 per cent last year to £5.86bn minimal increase in 1977 and an beat ever rising prices. actual decline in 1976.

lem of reducing its widening with imports showing a further aims at eliminating all duties on trade deficit is Israel's major increase of 20 per cent to \$1.8bn imports from the EEC by 1989. Thus the main effort to re-

Given the structure of Israel's imports there is little scope for trade gap which was achieved during 1967-77 was largely the result of stepping up exports. exports imports against only 45 per cent diamonds are imported. the peace treaty, with Egypt, this sector will continue in 1975.

Increasing emphasis also is to be a major drain on resources. being placed on changing the In addition Israel has to structure of exports. Citrus, which 30 years ago accounted for 65 per cent of the total, cent of imports and will have today accounts for only some increased considerably follow- 5.6 per cent while other agriwill have to live with "for ing the latest OPEC price cultural goods account for only another 7 per cent. The potential for increasing

exports further is limited by

the scarcity of cultivable land

ever, been made to diversify

into more lucrative export

earners such as flowers and

out-of-season fruit and veget-

ables. A further problem on the

horizon is the increased-compe-

tition which Israel will face in

and Portugal are members.

Israel is attempting to

times what it exports to the

Capital goods imports are deficit in the foreseeable future. another key element in the im-The best Israel can hope to do ports bill as Israel strives to is to minimise the increase so step up its industrial develop- and water. Efforts have, howment to minimise its traditional dependence on agriculture, all Last year visible exports of necessity, to be capital-inten-totalled \$3.92bn representing an sive because of the shortage of

Capital goods imports incent. In real terms, however, the last year to account for 15 per countries such as Spain, Greece A rapidly expanding import About a third of Israel's ex-

per cent to \$420m, but in the current year they are expected renegotiate its agreement to show an increase of well over reached with the EEC in 1975 against an increase of 18 per 80 per cent. This is already in so that its agricultural produce admits there has been virtually cent in 1977. Excluding dia-evidence, in the first quarter, will enjoy the same free access no real growth so far in the monds and defence imports, the when a rise of 89 per cent as these new members. With growth in volume amounted to reflected the consumer spending a widening trade gap with the 10 per cent compared with a boom promoted by the rush to EEC-it imports about three Furthermore, the EEC-Israel would also like to

widening of the visible deficit power it liberalised imports as which, despite having tariff- the competitiveness of during the first quarter of this part of its new economic policy. free access to the EEC, are, in exports.

AFTER INFLATION the probyear of 59 per cent to \$759m. Israel's agreement with the EEC Israel's view, hampered by non-

Such has been the change in the structure of Israel's exports duce the trade deficit is being that industrial goods now directed at increasing exports. account for 53 per cent of the Indeed, the narrowing of the total. This excludes polished diamonds which at \$1.32bu last year account for 36 per cent of tion to the balance of payments now covers some 66 per cent of is far less as the rough

It is within the industrial sector that Israel now sees its main export potential and in the high technology, high addedvalue end of the market.

Israel's main markets are the EEC and U.S., which respectively account for 36 per cent and 19 per cent of total Israeli exports. Israeli goods are geared to the needs of these two main markets, and Israel is anxious that its export effort should not be weakened by attempting to sell too many pro-

ducts in too many markets. Israel, however, is auxious to home. Having lost a valuable market worth \$100m last year in Iran, it does not expect its creased by nearly 30 per cent its main market, the EEC, when exports to Egypt to amount to more than \$20m-\$30m a year, rising perhaps to the \$80m-\$100m over the next five or ten

The Israeli Export Institute's aim is to increase industrial exports in real terms by 25 per effort is being hampered by the high level of local consumption and a shortage of production capacity, while the high level of There has been a further present Government came to step up its industrial exports domestic inflation is affecting

Nott for Brussels talks

BY OUR FOREIGN STAFF

MR. JOHN NOTT, the Secretary for Trade, is to visit Brussels tomorrow for talks with European Community officials on the working of anti-dumping controls, which became an EEC responsibility in 1977.

Mr. Nott. who will be accompanied by Mr. Cecil Parkinson, causing concern among UK the Minister of State for Trade. will be seeking to ensure that rapid and gorous action is Brussels, the UK has retained

Although there is evidence that the system is not simplifying anti-dumping procedures and closing any possible loopholes. It is also likely he will raise

intraauestion Community trade in certain manufactured goods, which is

anti-dumping Although measures are controlled from substantial London-based office to deal directly with British industry.

Andean Pact agreement

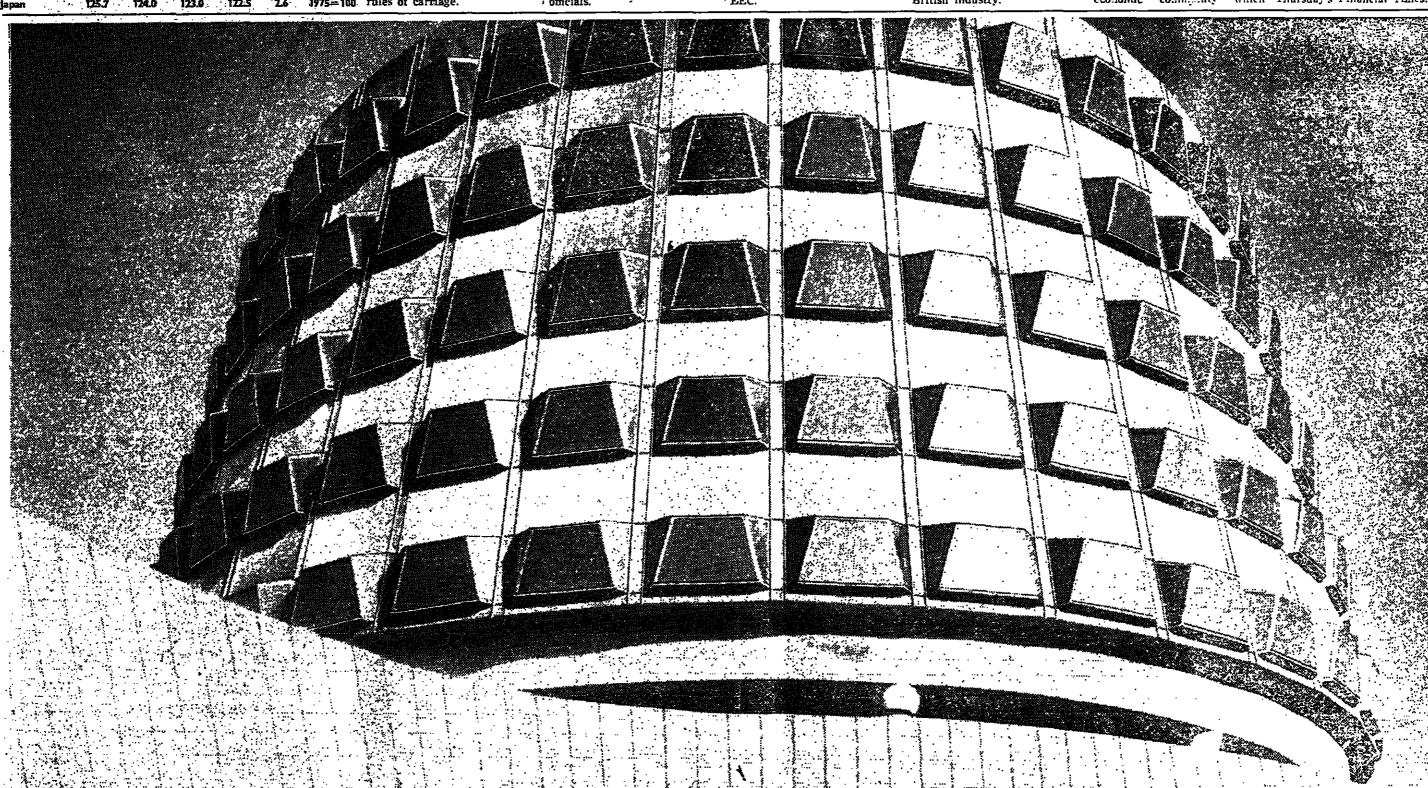
BRUSSELS-Mr. Julio Cesar comprises Colombia. Venezuela, Turbay Ayala, the Colombian Ecuador, Peru and Bolivia. President, and Mr. Roy Jenkins. President of the European Commission, have agreed to exploratory talks on the form negotiate a co-operation agreement between the Common co-operation agreement." Market and the Andean Pact AP nations but have declined to reveal specifics.

ending a tour of Europe, met with Mr. Jenkins for one hour at Common Market headquarters here. Mr. Turbay is seeking easier coress to the European market for products of the pariod was at a price of \$455 a Andean Pact nations — an economic community

In a brief communique. Mr. Jenkins said he was ready to begin "as soon as possible,

The Colombian head of state. Svenska Cellulosa

Svenska Cellulosa of Sweden says that its offer to British customers to supply bleached sulphate pulp over a six-month tonne, not \$465 as stated in last which Thursday's Financial Times.



Architects: Antonio Bonet & Francisco Gonzalez Valdes

Who built a castle in Spain for their own good health?

The Spanish medical professions are proud of their new headquarters in Madrid. With some justification.

Irs unusual 'beehive' shape is a deliberate breakaway from the match-box school of present -day architecture, and the building reflects an exceptional quality and

attention to detail. Britain can share some of this pride,

since it was built by Laing SA. 85% owned by John Laing, this subsidiary is now one of the leading contractors in Spain. Laing's presence in Spain is good news for the burgeoning Spanish economy It is one of a dozen Laing overseas companies, either wholly or partly owned, which, world-wide, are exporting British technology

In Britain alone, more than 20,000

people make Laing one of the biggest construction companies in the world. Worldwide, you will find the familiar Laing vellowand-black site boards wherever new ideas are taking shape. Laing's scope ranges from cathedrals to power stations, from docks to hospitals. Laing expertise can embrace the technicalities involved in building Britain's largest brewery and the craftsmanship

necessary to renovate the interior of the Albert Hall.

Laing make ideas take shape. With skill. With technology. With craftsmanship.



ODDOM

darty

this th

ines

of Alfred Herbert will quit

BY MAURICE SAMUELSON

SIR JOHN BUCKLEY will shortly give up the chairman-ship of Alfred Herbert, the State-owned toolmakers, which he has held for the past four

However, company officials said yesterday that there was no question of Sir John, 66-yearold chairman of Davy Inter-national and a director of British Steel, "being pushed." Although no date is known

for his departure, Sir John himself said that he had had "a good stint" at Alfred Herbert and that the company had undergone "some painful re-construction" over the past three years. It had, he said,

got a lot for its effort." Speculation about Sir John's future comes against the background of discussions between Sir Keith Joseph's Industry Department and the National Enterprise Board about running of "lame-duck" com-

Herbert has received an estimated £48m of Government money since it was nationalised in 1975. Last year, it made a loss of £7.4m against a net loss £342,000 in 1977.

However, the company says there has been "a lot of mis-understanding" about its finances. Mr. Walter Lees, the chief executive, said that none of the State money put into it had been dissipated, except for about £3m covering mainly re-

dundancy payments. Even if the present Govern ment decided to give no more support, the company was now in a position to generate its and its work in progress, thanks to the confidence of its bankers. Orders were coming in at a record rate and in the second

quarter of the year, were about 50 per cent higher than average. Last year's order book had been 25 per cent up on that

Mr. Peter Rippon, who is a licence from Telecomputing being mentioned as a possible to market the software, which successor to Sir John, is already allows many terminals to be a member of Herbert's board. He is managing director and same computer. However, ICL vice-chairman of Lindustries subsequently developed its own and a former managing director of Tube Investments' machine

Chairman Pay growth at 15% forecast by brokers

BY DAVID FREUD

In its latest circular the firm round. predicts average earnings growth of about 15 per cent, only marginally higher than in the 1978/79 round and below moders the expected turn-of-the-year ments.

The firm says there is greater awareness among labour leaders that seeking creations. The Midland Bank that seeking excessive wage increases is not in the interests of their members' real living standards.

A new government with a than a minority government facing an election.

The effect of high settlements at the beginning of the round on later private sector deals may be smaller than usual, as demand weakens.

A firm public sector cash limit policy may deter those cash-limited groups from seeking excessive increases in the on output and employment, and face of a pay/unemployment trade-off.

In particular, there may be little scope for public sector groups receiving comparability

International

sued for £2½m

Computers

By Max Wilkinson

Finally, Phillips and Drew

The Midland Bank Review, published today, says the main problems facing the Government policy of cutting inflation through monetary and fiscal A new government with a means, is to ensure enough sizeable overall majority has feed-back onto wages to keep much more bargaining power unemployment within tolerable

> Otherwise, the higher unemployment may itself bring the feed-back. The Government will have to

devise ways of influencing the attitudes of trades unions and wage-earners generally, so that negotiators see the adverse effects of excessive settlements settle so as not to provoke them. A "major effort of education, propoganda and cajolery is likely to be required."
Stockbrokers Laing and

A PAY EXPLOSION is un-dikely in the forthcoming wage This is because the compara-round, say City stockbrokers bility recommendation may be Phillips and Drew. Cruickshank say in their latest circular that even if wage settle-ments in the next round average in terms of the total rise for the 18-20 per cent, the combination 18-20 per cent, the combination of a firm pound, lower employment and the absence of this say the tax rebates paid early year's shocks suggests the retail in the round may have a slight moderating effect on settlements. rest of the year.

Firm monetary control has set the economy on the road to recession over the next 18 months, says the firm, while the anti-inflation benefits will be felt largely in 1981.

Stockbrokers J. and A. Scrimgeour expect falls in Minimum Lending Rate from the present 14 per cent in July-September. The reasons are market pressures resulting from the attractiveness of sterling investment at a time of oil price increases, and possible falls in

MLR is then forecast to increase again, because bank lending should still be growing strongly.

Independent business forecasters Staniland Hall Associates predict that consumer spending on durables will fall 5 per cent next year. Car sales could be 10 per cent down.

British 'hard-hearted towards the poor'

BY PAUL TAYLOR

INTERNATIONAL Computers Limited (ICL) is being sued for £2.5m by Telecomputing, a programming, company from Group claims today in launch views of people in Britain about which it had taken a licence a ing a campaign to "bring home poverty the Child Poverty

Telecomputing has filed a suit for breach of contract relating to a teleprocessing system which it developed for ICL machines.

International Computers took a licence from Telecomputing connected simultaneously to the software for the purpose and ended the agreement with Tele-

PEOPLE in Britain are more Britain thought the Government 'hard-hearted" towards the was doing too much to help the poor man their European negihbours, the Child Poverty Action

Britain's forgotten poor." The organisation cites the Poverty and Inequality: The results of an EEC survey on Fcts, suggests that in 1976 there people's attitudes towards the were almost 15m people in Bri Britain thought there were poor

to the public the plight of

lack of will power, compared

power, compared to 7 per cent in the EEC as a whole.

In an attempt to change the Action Group is publishing series of leaflets. One, called It showed that only a tain living in or around the

third of those questioned in Britain thought there were poor in the UK.

Forty-three per cent of the Torty-three p Britons questioned thought the to carry it out—is urgently cause of poverty was laziness or needed. Unless there is a clear demand for better child benefits to 25 per cent of those asked and social security benefits, the the same question in the EEC needs of the poor will continue as a whole. Twenty per cent in to be overlooked.

INTER-AMERICAN DEVELOPMENT BANK



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British **Airways** changes soon

BY LYNTON McLAIN

BRITISH AIRWAYS is expected to announce at least two senior Board appointments this week to complete the reshuffle started when Sir Frank McFadzean resigned as chairman last month.

The State-owned airline has been without engineering, planand finance directors since June 1.

Mr. Roy Watts, former pla ning and finance director, took over as chief executive after Mr. Ross Stainton left the post to become chairman of corporation.

One of the first tasks of the new finance director will be to assess the impact of the rising value of sterling on the sirline's foreign earnings.

These accounted for over 57 per cept of the revenue of £1,355m in the financial year to the end of March, The U.S. and Canada accounted for 14.6 per cept of total revenue last year and this is now causing particular concern among mem bers of the Board as the pound has risen in value by 8.8 per cent against the U.S. dollar

since December 31.
When Sir, Frank resigned after three-and-a-half years as chairman he had 18 months of his period of office to run,

There was speculation last month that his experience as an oil economist—he was the chair-man of Shell Transport and Trading before joining BA-and the fact that he was a fervent supporter of free enterprise might favour him for a job with Mrs. Margaret Thatcher's Gov-

However, he has so far kept quiet about his plans.

Rising workload

Mr. Kenneth Wilkinson, the former engineering director, is deputy chairman. His engineering work may be taken over by Mr. John Garton, the present deputy chief engineer.

Planning and finance respon-sibilities, both reviously held by Mr. Watts, may now be split. This would take account of the rising commercial workload British Airways has taken upon itself to meet the demands of air travel into the 1980s.

The airline plans to double to over 30m by 1986 the number of passengers it carries. It also plans to double the 200,0000 tons of cargo it carried last year, and aims to achieve these targets with fewer staff. The plan for the mid-1980s includes loss of 2,000 jobs of the 57,000 in the corporation...

These changes were planned before the latest round of fuel price rises, and the airline is understood to have revised its expectations of growth in the 1980s, but on the assumption that passenger numbers will continue to rise by at least 10 per cent a year.

Whale oil imports may be banned

By Our Consumer Affairs

LEATHER GOODS makers may face a Government ban on the use of sperm whale oil for

softening leather. The possible ban on imports of sperm whale oil—worth over £1.5m—follows widespread concern over the future of the

About 1,000 whales needed to supply Britain's leather industry with sperm oil, according to environmental groups concerned at the decline

in whale numbers.

The possible banning of the sperm oil could be announced in the next few days or even at today's meeting of the International Whaling Commission Already, New Zealand and the

U.S. have banned the oil. A rally and demonstration against the killing of whales was held in London's Trafalgar Square yesterday, with Sir Peter Scott and Spike Milligan among the speakers.

Philips Data Systems wins Halifax order

Financial Times Reporter PHILIPS Data Systems has

won a contract worth more than Building Society with a new generation of terminals for over 400 UK branch offices. The order, for Philips PTS 6000 financial terminal system, is one of the largest single orders for computer equipment

of this type.

According to the Halifax, the move to cashier automation will improve customer services and improve the detail and speed of branch reporting to management

The system will replace a back office terminal system in-stalled in 1971. The order includes provision for equipping a substantial number of future new offices.

Dearer fuel cuts demand for big second-hand cars

Assuming the Jackson-Vanik car, many of which traditionally are becoming more difficult to DEMAND FOR large. First were regarded by dealers as shift. He claimed, however, the because of the big furt price as Daimlers, Jaguars and older used car values had not dropped rises, but dealers are confident Rolls-Royces. The same hap that this decline is temporary, pened in 1974, he said, and the had gone up in price by about in the last month with the situation would be similar. the situation would be similar to 1974 when petrol price increases caused a sharp drop in used car sales but the market

rapidly recovered.

The dealers do not report any drop in new car sales for the more expensive luxury car, particularly imports, for which there are waiting lists of up to

demand for the used, larger family car such as the BL Princess, Austin Maxi and Rover as well as older Daimler, Rolls. Royce, Mercedes-Benz and

The publishers of Glass's Guide, a confidential dealers guide to used car values, said yesterday: "On quite a large number of the bigger used cars there has been a slowing up on sales, coupled with a felt in

values." This turn in the market comes at a time when dealers are eager to sell their used stock in readiness for the large number of trade-in vehicles in August when the new registration suffix appears.

Mr. Dennis Dixon, of Lake-

field Motors, Kendal, said: There has been a setback in rather like that experienced by said yesterday. cigarettes go up in price. Smokers swear they will give it up, but after six weeks they have forgotten about the increased price."

Buzion. Mr. John Maslen Motors, a 27 per cent increase on the manager of London, said the public was same period last year, while the we will achieve our new targe frightened of the petrol con- 343 range totalled 5,344, an of 37,000 registrations for the sumption of the larger used increase of 251 per cent.

Reduced

'slashed.

In an attempt to attract customers, one London car dealer has offered free petrol for a year with second-hand Mercedes-Benz. Another has offered £500 of premium bonds on a similar second-hand purchase. On other forecourts car prices have been

The fall in prices over the past month is substantial. One dealer has reduced the price of a three-year old Jaguar previously worth about £5,000, by

Dan Perkins (London), which holds franchises for Mercedes and Datsun, is this week advertising free petrol for 12 months with every used Merceeds purchased in July. It also

and a 2 per cent increase by the manufacturer. He was offering free petrol to assure customer that he was confident that the larger car did not consume in

excessive amount of petrol.

The fall in demand has no however, but the newer used Mercedes Benz. In the UK dis tomers can expect to wait ment two years for delivery of a new Mercedes and therefore a used car, up to one year old is attractive alternative buy and prices have held.

concerned manufacturers in reluctant to predict any train in buying patterns away aun the larger car. But car many facturers, including BL report very good sales in June for the smaller cars.

guaranteed the supply of fuel.

Mr. Dan Perkins, managing were about 150 per cent up of director, said: Increasing the same month last year and numbers of people are buying up by 176 per cent for an smaller cars and the large ones. Aftegro during the same period.

Volvo has record sales

were registered in the first six executive of Volvo Consessmonths of 1979, making it the signaires, said the sales perform second-hand sales but it is company's best half-year in ance of the Volvo 200 series have temporary. The situation is Britain, Volvo Concessionaires been outstanding, while the has

The sales are a 41 per cent expectations. increase over the 1978 first halfyear, a period when the total the in According to Volvo Concessionaires the 200 seriest sales accounted for 14,990 of the sales.

ance of the Volvo 200 series had 343 range had surpassed all He attributed the latest me cess to products were with appropriate to the needs of he

market and backed by a efficient dealer network "With their continued suppor

UK CAR REGISTRATIONS

-	. 17/7	76	17/0	. 76 .	17/7	76	1978	∴ 76 :
Total UK produced	88,075	44.00	68,530	51.67	459,610	44.56	460,203	52,9%
Total imported†	112,097	56.00	64,098	- 48.33	571.720	55.44	408,752	-4743
Total market	200,172	100.00	132,628	100.00	1,031,330	100:00	868,955	100.00
Ford*	52,874	26.41	37,945	28.61	293,242	28.43	239,118	27.52
BL—Austin Morris Jaguar Rover	34,64		17,259		,168,810		153,154	
Triumph Total BL*	6,997 \\$1,645 *	20,80	6,110 23,369	17.62	42,740 271,550	20.51	44,055 197,209	22:41
PSAChrysler* Citroen Peugeot	14,200 3,841 4,320	7,09 1,92 2,16 \	9,681 2,905 2,790	7.30 2.19 2.10	77,021' 19,363 22,870	7.47 1.88 7.77	58,775 15,885 14,127	6.76 1.83
Total PSA	22,361	11.17	15,376	11.59	119,254	11.57	88,727	18.22
General Motors— Vauxhall* Opel Other GM	12,445 3,025 115		15,868 1,992 56		68,399 16,452 648		75,761 10,520 412	- 11 - 12 - 12 - 12 - 12 - 12 - 12 - 12
Total GM	15,585	7.79	17,916	13.51	85,499	8.29	86,693	9.97
Datsun '	11,158	5.57	7,362	5.55	55,512	5.38	56,993	6.5
Renault ,	10,541	5.27	4,647	3.50	56,641	5.49	36,354	41
Fiat	10,448	5.22	6,406	4.83	42,375	4.11	37,298	. 42
VW/Audi	10.374	5.18	6.141	4.63	43.474	4.71	37 547	376

which are not oncluded in the total UK figures from Continental associates of UK companies Source: Society of Mozor Manufacturers and Trade

County faces 30% rate rise

DERBYSHIRE faces rate increases of about 30 per cent next year if it does not reduce spending, County Council leader Mr. Walter Marshall has in the Old Library at the

Fitness for All week in the City THE CITY of London's Fitness tribution, the Corporation of

for All Week started today. keep fit session: in front of the Guildhall. An exhibition is being held

London Health Department Events include daily lunchtime launching a What's Wrong! competition, in which visitors are invited to spot hazards and dangerous practices which could cause office accidents. Prizes are offered for the best three

entries.

EDGAR ALLEN, BALFOUR **HAS A STRONG** INDEPENDENT FUTURE

Guildh ! As part of its con-

Aurora is attempting to buy EAB at the low point of its fortunes and before the full benefits of its reorganisation and investment in plant and technology, particularly in the special steels business, can come through.

Even at this early stage in the current financial year ending 29th March, 1980, the EAB Board is prepared to forecast profits before tax of not less than £1.5 million and on this basis to recommend ordinary dividends of 2p net per share.

After 6 months of its current financial year Aurora has given no

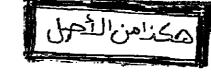
Aurora's cash offer of approximately £13.8 million is worth only about 60 per cent. of EAB's net asset value of £22.7 million.

EAB is convinced that Aurora's commercial logic is misconceived and the bid, if successful, would result in increased import penetration of

the U.K. market for high speed steel. The Board of EAB believes that the Aurora offer is inadequate and misconceived.

EAB SHAREHOLDERS ARE STRONGLY RECOMMENDED TO REJECT THE AURORA BID AND KEEP EAB INDEPENDENT.

The Directors of Edgar Allen, Balfour Limited have taken all rea ns expressed herein are fair and acturate and jointly and severally accept responsibility accordingly.



OUR

URE

Petrol prices rocketing. E1-40 next week?

Right now, you could be excused for thinking that the last thing the world needs is a new luxury car.

In which case, we invite you to examine the new Princess 1700HLS and 2000HLS.

They're every inch luxurious, from their sumptuous velour upholstery, rear passenger reading lights and twin-speaker radio, to their smooth, powerful 'O' Series engines and equally smooth Hydragas® suspension.

Yet they're surprisingly inexpensive to run. In urban driving,

the Princess 2000HLS with manual gearbox achieves over 27 mpg-which means it's the most economical 2 litre saloon car in town.

At a constant 56 mph you can cover nearly 38 miles on every precious gallon.

And the figures for the new Princess 1700HLS are even better. Not that the new Princesses are only frugal with fuel. They cost less to run than many cars, even before you start to run them.

Inexpensive spare parts mean lowinsurance premiums. And if your company provides you with a Princess 1700HLS, you'll find that it falls conveniently below the critical 1800cc break point for taxable benefits, thus incurring no more tax liability than a 1600cc car.

How can we sum up the new Princess 1700HLS and 2000HLS? Are they luxurious cars that are economical to run-or

⊕ Hydragas is a registered trade mark.

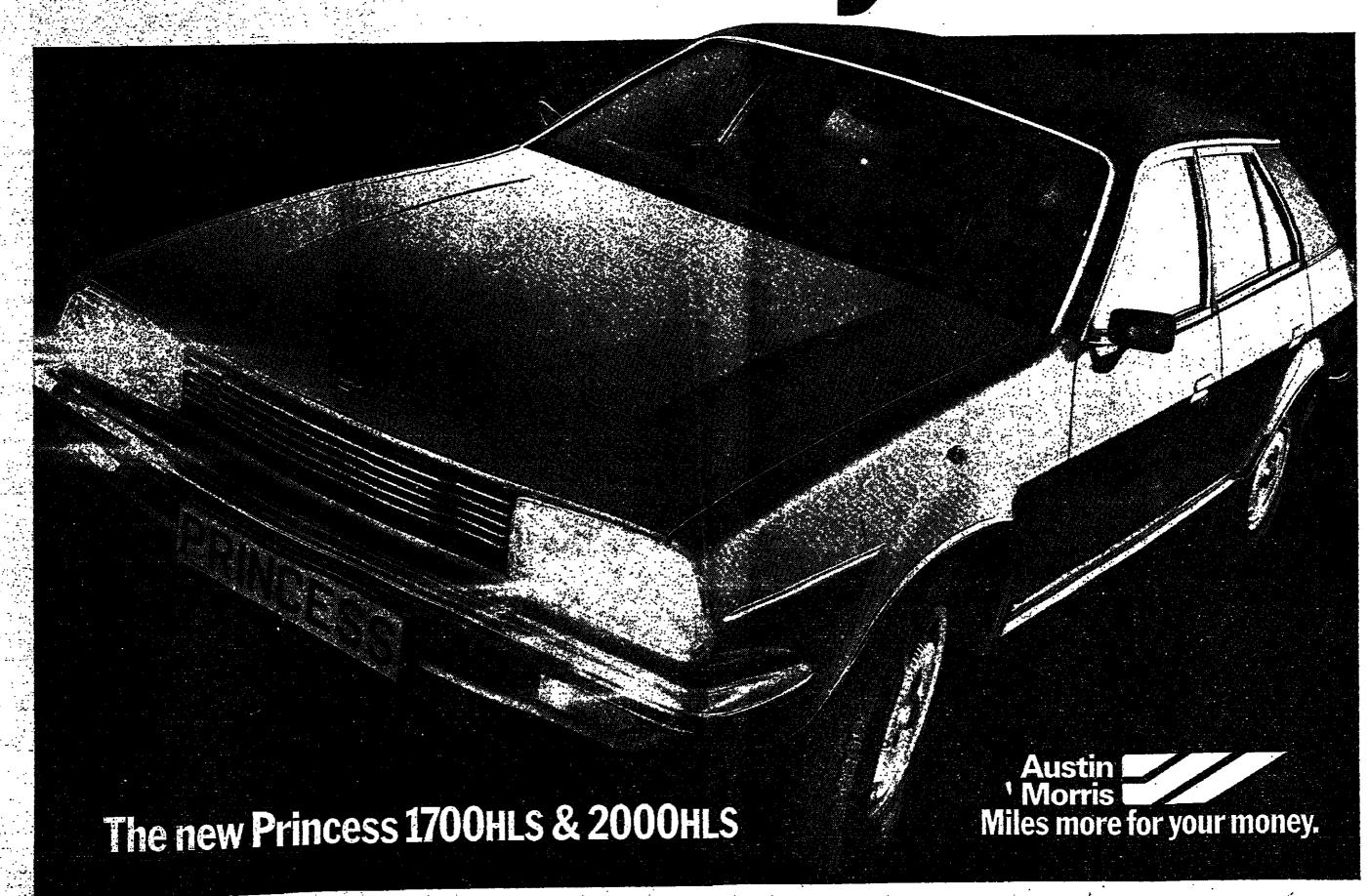
economical cars offering an unusual degree of luxury?

Either way, isn't it nice to know that you can still arrive in the style to which you're accustomed-without feeling guilty?

Official Department of Energy MPG Figures Imperial MPG Urban 56mph 75 mph Manual-gearbox 28.4 Princess 1700HLS 58.2 29.7 27.2 Princess 2000HLS valents, L/100km.Princess1700HLS; Urban; 9.5; 90km/h; 74; 120km/h; 9.9, Princess 2000H S; Urban; 10.4; 90km/h; 75; 120km/h; 10.2.

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1978 June Rolls-Royce Silver Shadow II Saloon. Chestnut, Magnolia leather. Speedometer reading 1.350

1978 June Rolls-Royce Silver Shadow Saloon. Caribbean Blue, Magnolia leather. Speedometer reading 8.800 miles.

May Rolls-Royce Silver Shadow II Saloon. Brewster Green, Tan leather. Speedometer reading 1977 May Rolls-Royce Silver Shadow II Saloon.

Scots Pine, Fawn Parkertex upholstery. Speedometer reading 9,700 miles. 1976 Aug. Rolls-Royce Silver Shadow Saloon. Regency Bronze, Dark Brown leather. Speedometer rea

1976 Aug. Rolls-Royce Silver Shadow Saloon. Seychelles Blue, Beige leather. Speedometer reading 1976 Feb. Rolls-Royce Silver Shadow Saloon. Pewter, Green leather. Speedometer reading 39,500 miles.

1973 May Rolls-Royce Silver Shadow Saloon, Black over Walnut, Black leather, electric sliding sunroof. Speedometer reading 38,600 miles. £18,950 1973 May Rolls-Royce Silver Shadow Saloon. Alpine Grey, Beige leather. Speedometer reading 66,000 miles. £17,250

1973 Feb. Rolls-Royce Corniche Convertible. Silver Chalice. Red leather. Speedometer reading 46,750 miles.

1973 Jan. Rolls-Royce Silver Shadow Saloon. Shell Grey over Seychelles Blue. Dark Blue leather. Speedometer reading 45,000 miles.

1972 June Rolls-Royce Silver Shadow Saloon. Coffee Bean Brown. Magnolia feather. Speedometer reading 25,000 miles.

25,000 miles. £18,950 1971 Feb. Rolls-Royce Silver Shadow Saloon. Tudor Grey, Beige leather. Speedometer reading 22,500 miles

GUILDFORD

dge Road, Guildford, Surrey. Tel. 69231. Tbc. 859255 1979 Jan. Rolls-Royce Silver Shadow II finished in Chestnut with Beige bide interior, 500 miles. 1978 Dec. Rolls-Royce Silver Shadow III finished in Chestnut with Beige hide interior. 900 miles.

1978 May Rolls-Royce Silver Shadow II finished in Peacock Blue with Magnolia hide interior and Magnolia Everflex roof, 4,000 miles.

1978 March Rolls-Royce Silver Shadow II finished in Cardinal Red with Beige hide interior. 17,000 miles. 1978 Feb. Rolls-Royce Silver Shadow H finished in Chestnut with Magnolia hide interior and Magnolia Everflex roof, 14,000 miles.

1978 Jan. Rolls-Royce Silver Shadow II finished in Cardinal Red with Beige hide interior. 1,000 miles. 1978 Jan. Rolls-Royce Silver Shadow II finished in Gunmetal Grey with Grey hide interior. 10,000

1977 Aug. Rolls-Royce Silver Shadow II finished in Moorland Green with Green Dralon interior and Green Everflex roof. 18,000 miles.

1969 Bentley 'T' finished in Smoke Green with Beige hide interior. One owner. Supplied by us. 54,000

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GRANADA 2.8 GL AUTO

1978 model. Metallic Mid-Blue with Blue cloth trim, Auto, PAS, radio, tinted glass. 8,000 miles only. Chairman's second car. As new saving on new price at £4.950

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JAGUAR XJ6 3.4 L.W.B.

1977 model. White with Burgundy velour trim and matching vinyl roof. Automatic, PAS, radio/stereo, 25,800 £5,950

Terms or lease from £477 deposit, £159 monthly inc. 12,000 miles Auto-

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MOTORING PAGE

contact: SIMON HICKS on 01-248 5115

Y IT COOL THIS SUMMER!



OVER BARS! — PROBABLY NO OTHER CON-VERTIBLE, REGARDLESS OF PRICE, HAS THESE SAFETY FEATURES. WHEN COLD WEATHER COMES DON'T NUT IT AWAY, IT CONVERTS TO A FULL SALDON, BUT JUST IN CASE THE SUN COMES OUT YOU CAN STILL REMOVE THE TARGA TOP. AT ALL TIMES IT IS A FULL FOUR-SEATER WITH A 22 CUBIC FOOT BOOT.

BRISTOL CARS LTD., 368-370 Kensington High Street, London W14 8NL.

Transport Bill likely to boost competition

MOVES TO sell shares in the items in his Ministerial in-tray, shares. NFC made a net profit National Freight Corporation, give bus operators more compe-tition and tighten "drink-andlaws may be brought together in a transport Bill.

UK NEWS

Transport Department officials are working on a package of measures reflecting the Conservative Party's transport ideas. There is no clear timetable for a Bill, but no developments are expected before the summer

The only transport matters likely to emerge before then are naming of members for an nquiry into whether higher maximum lorry weights and a statement on the finances of the Port of London Authority should be adopted.

An interim statement had been expected from a joint British Rail-Transport Department study of railway electrifi-cation. This seems likely to be held up until the autumn. The problem for Mr. Norman

Fowler, the Transport Secretary, is that public spending con-NFC chairman, has made clear straints inhibit him from pro-that he would like two more cessing the more spectacular years before seeking to float

Rockwell

streamlines

ROCKWELL UK, a subsidiary

of the U.S. conglomerate, Rock-

well International, is to set up

a marketing operation which it

is claimed, will bring down prices of the company's range

Under the new arrangements,

Rockwell's distributors, PTS Tool Specialists, of Birmingham,

will directly import Rockwell

power products from the U.S.,

and be totally responsible for

This will further stimulate

sales and we can look to reach-

ing our 15 per cent market-share even earlier than anti-

Rockwell entered the UK

power-tool market 20 months

ago and recently claimed it had

gained a 10 per cent share of

the domestic power-tool market.

own UK warehouses, and re-

Mr. Bob Allen will remain in

overall charge of the UK

Rockwell power-tool operation.

Air services

is criticised By Robin Reeves.

centralisation

THE CIVIL Aviation Authority was criticised at the weekend

for seeking to centralise air

traffic into fewer airports, instead of encouraging the growth of feeder networks from

modest airfields around the country.
Dr. Iain Skewis, chief execu-

tive of the Development Board

for Rural Wales, told a conference on transport and regional growth at Warwick

University, that far more exten-

sive, but less sophisticated, air

travel facilities, would give a key boost to the economic

development of remote regions.

services, using simple, cheap airfields and small aircraft was

being hampered by the cen-tralising policies of the auth-

Dr. Skewis contrasted the

Highlands and islands of Scotland where air links had made

possible day visits to English

cities and European capitals, with the North, the West and North-west of Wales, an "aviation desert." The introduction of daily, scheduled air transport would be the single most

effective step to encourage industrial development in the

STAFFORDSHIRE County Council, notified by suppliers of 20 per cent cuts in fuel deliveries, are to switch off bollers in schools at 2.30 p.m.

Swimming pools will not be heated. The county has 170 oil-

Heating cuts

ority, he suggested.

The growth of a network of

cent in three years.

of power tools.

cipated."

marketing

These include proposals for of £300,000, its first surplus a rail-only Channel Tunnel and since 1973. mass electrification of the rail-

sensitive issue, as France has only recently agreed to co-operate in further planning studies

teed that she would not veto the project, as happened in One element in Conservative policy which Mr. Fowler can pursue is sale of shares in the National Freight Corporation. Its executives have been assured that the Government

expected only if Britain guaran-

has no intention of proceeding hastily with this matter. The corporation's financial position, steadily improving in the last three years, suffered a setback from the road haulage strike last winter.

Mr. Robert Lawrence the NFC chairman, has made clear

On public transport, Mr.

Fowler is keen to alter the route licensing system to make it easier for private-sector carriers to launch bus services, especially in rural areas. He has been warned by She previously insisted that National Bus that any alteration such co-operation could be would lead to private carriers would lead to private carriers creaming off the best urban

routes and further depletion in

its own rural services. Drink-and-drive is an area where Mr. Fowler would like action, although he is understood not to favour the random breath test system proposed in the Blennerhasset Report some

Action depends on successful testing of a new breathalyser device whose results would be regarded as conclusive without the need for blood or urine

Action may be taken on irther liberalisation of further atrangements for car-sharing, particularly regarding freedom to advertise car-sharing offers.

New effort to exploit abandoned Scots well

BY RAY PERMAN, SCOTTISH CORRESPONDENT

A SMALL British oil company is to make a fresh attempt to find and produce oil from an area near Edinburgh-which was last exploited 15 years ago. Oil Exploration has applied to the Department of Energy for a production licence covering a 250 square kilometre area in the Esk Valley, East Lothian. It has carried out seismic tests and hopes to be allowed to start drilling later this year.

the sales and marketing operation. The new arrange-Crude oil and gas in small quantities were produced there nent takes effect from next by BP, the Esso subsidiary Anglo-American Oil and the Mr. Bob Allen, Rockwell's Gas Council in the late 1950s UK power-tool director, said: and early 1960s, but the ven-tures were abandoned as un-The PTS marketing operation will streamline sales and diseconomic. tribution and enable costs of Oil Exploration believes that Rockwell tools to be reduced.

it may be able to find larger deposits and, by applying modern production techniques, increase flow rates to make new wells viable. Mr. Norman Davidson-Kelly, company secretary, said: "We

have all the technical data from Esso and BP and we have run our own seismic programme and we reckon we know more about Its original target was 15 per the geology than they did. Before the reorganisation Rockwell imported tools to its "The costs of developing an onshore well are far less than

those in the North Sea, so we would only need a relatively SIR GEORGE RENDEL, former small production rate to make it worthwhile."

Candecca Resources, which has an onshore well in Yorkshire. The rising price of oil makes Chelsea.

onshore prospecting increasingly attractive. Although oll reservoirs in Britain are likely to be very small compared to those under the North Sea, the cost of exploration and production is a fraction of that off-

between £50,000 and £100,000 to drill as opposed to about £3m for a single exploration well in the sembed. Production equipment can be far less elaborate and expensive.

Small wells — known as strippers to oilmen—can be profitable on flow rates of as little as 20 barrels a day, whereas it may need five to ten times that to justify an off-shore well. Similarly, develop-ment times can be far shorter, with production starting per-haps only a few months after oil is found.

All oil and gas rights in the UK are vested in the Crown, so royalties on any oil produced are paid to the Government rather than to the landowner.

Ex-bank chief leaves £45,757

chairman of merchant-bankers Singer and Friedlander, and Oil Exploration's partners are Ambassador to Belgium 1947-50. the shipping and construction who died in May aged 90, left group Christian Salvesen and £45,757 gross (£41,421 net) in his will published on Saturday. He lived at Lennox Gardens,

resume strikes today BY PHILIP BASSETT, LABOUR STAFF CIVIL SERVICE scientists and tions could be severely dis- had seen how many staff obeyed technicians begin further selectrupted.

power supplies to Service estab maintenance of cooking facilishments, Ministry of Defence ites, lifts and air conditioning communications and House of and other equipment also begin

Commons facilities.

Some power supplies to the national grid could also be affected by a strike due to begin on Wednesday by staff at the fast breeder nuclear power! station at Donnreay, in north Scotland.
Action by members of the

institution of Professional Civil Servants has already affected. Naval dockyards Royal Ordinance factories and a range of other Government scientific: technical and research establish-

About 100 control engineers in the Defence Ministry and the per cent. Property Services Agency, will affect power supplies to various service establishments by hand ing in the certification which.

tive strikes today over pay Engineering staff at the House claims aimed at disrupting of Commons who supervise the power supplies to Service estab maintenance of cooking facili-

Civil Service technicians

action today. The union said yesterday that the industrial grade mainten-ance workers, who are mainly represented by the Amaiga-mated Union of Engineering Workers, the Electrical and Plumbing Trades Union and the

Transport and General Workers Union, had agreed not to work without IPC supervision.

Also involved are 20,000 scientists, where the union is claiming that an increase should be linked to this year's adminisvoltage equipment. averages 25 per cent. The union's strike fund.

The certificates, issued by the The Government has offered mittee is meeting hoday at Central Electricity Generating 20-33 per cent, and though, discuss the effectiveness of the Roard, are required to handle negotiations on the technicians strike campaign Further acting equipment used for both the pay are deadlocked, talks are includes half-day regions of the high-voltage power. The Civil Service Department on rallies.

Twenty-one staff at the De the conditions attached to the The first is said. tration grade settlement, which umon's strike fund,

the strike instructions if all the communications centre state came out, though, maintaining operations could be "awkward".

Thirty staff at the Donness reactor, which supplies some power to the national grid, have been called out from Weines day, though the union will continue not to place health mid safety at risk by any of he The union said that decid ASLGE Meis DOM ... ASEA GOOD

to being shut down because at the selective action and over The dispute is over a claim Ministry said dockyard open for increases of 38-47 per cent tions would be maintained for 40,000 technicians and About 20 staff at Deymort 10,000 related staff, to which the dockyard were sent home as dockward were sent home lost week for refusing to work Government has offered 15.5-24.1 normally. About 300 IPCS me bers are now on strike or su pended. They are receive strike pay from a £1 a v levy of the members and

of the high-voltage power. the Civil Service Department on rallies.

Twenty-one staff at the De the conditions attached to the The first is set for tomorned fence Ministry communications scientists' offer which the at Southampton, which will centre in Whitehall will also unions say are unacceptable. include staff from Portsmonth begin action today. The centre The Defence Ministry said and Salisbury, and the second handles the majority of defence yesterday that the results of on Thursday at Leeds, covering traffic, including NATO work, the new action could not be York and Sheffield staff, how and the union says communicates estimated until the department will be held later.

Steel jobs go after £7m modernisation

By Ray Perman, Scottish Correspondent

THE SEVERITY of the crisis facing British Steel has been underlined by a decision to cut the workforce at one of the corporation's most modern plants by a quarter.

Craigneuk Foundry, near Motherwell, has been losing heavily in spite of a £7.2m modernisation completed last year and a new manning agreement designed to match foreign competition. The foundry is part of British Steel's Sheffeld division which made a loss of 25.7m last year.

Unions have been told that Craigneuk has been working at less than half its capacity of 10,000 tonnes a year, About 150 manual workers and 58 staff are likely to be made redundant. The UK foundry industry, much of it modernised under the Government's ferrous foundry incentive scheme, has been suffering from a slump in orders, affecting the private as well as the public sector.

Hose pipe ban

THE ANGLIAN Water Authority is to introduce a hose pipe ban in East Suffolk from

Another teachers' union gives warning on cuts THE GOVERNMENT has been teachers be placed under an

given another warning by a impossible strain, but the empted teacher union about the effects cational prospects of the chill on schools of its proposed economy measures.

The executive of the third

Association, passed an emergency resolution yesterday warning that the cuts could only be achieved by cutting back on teacher jobs and other ancillary workers. It said the Government appeared to be thinking of a 7½ per cent cut in Government expenditure. Central administration took

up about 2 per cent of total expenditure, so it was calculated that the major threat would be

The executive of the third. The executive decided to englargest union, the 70,000, vey its fears to the Prince.

Assistant Masters and Mistresses Minister. Mr. Mark Carliste. Education Secretary, the Chin cellor, and the Environment Secretary. Mrs. Thatcher, a former Edn

to consider the need to main 1915 tain and improve the education service father than make 1911 Mother cuts.

Motions, urging the THE general counter? cation Secretary, will be asked

general council to stage "a vigorous campaign " against the Government's reductions in spending on State education, are Mr. Peter Smith, assistant to be tablest by the National general secretary of the union. Union of Teachers at the Trades said yesterday: "Not only will Umon Congress in September.

GEC strikers stay out

THE 1,300 hourly-paid men on day night, after unanimously unofficial strike over pay at the rejecting a management pay. English Electric GEC light offer of 8.3 per cent, with fringe engineering works in Liverpool benefits:
say they are prepared to stay The men are claiming all
out until the factory closes for increase of nearly 15 per cent. the summer holiday in a fort- saying it is the going rate in

night. the industry. No talks have see Pickets have remained posted far been planned between the throughout the weekend outside management and representatives of the four trade unions. The men walked out on Thurs- involved.

the industry. No talks have so

Workers' Council of the Communal Organization of Associated Labour for Water Supply and Sewer System "VODOVOD," 32000 CACAK, Vojvode Stepe Str. No. 18 is announcing THE INTERNATIONAL COMPETITIVE BIDDING FOR SUPPLY AND ERECTION OF DIESEL GENERATOR UNIT 500 KVA FOR

STAND-BY POWER SUPPLY OF CACAK WATERWORKS SUPPLY AND ERECTION OF DIESEL GENERATOR UNIT 500 KVA FOR STAND BY POWER SUPPLY OF CACAK WATERWORKS.

LOCATION: Cacak, Beljina suburb.

TIME OF COMPLETION:
180 days from the date of receipt of order to commence the works.

CLOSING DATE FOR RECEIPT OF TENDERS: August 20, 1979 at 12.00 a.m.

CONDITIONS FOR ASSIGNMENT OF CONTRACT:

For assignment of Contract shall be considered only the tenders:
(1) submitted as called for in the Tender Documents issued by the Employer; (2) prepared fully in compliance with the requirements set forth in the Tender

(3) accompanied with the evidence on registration licence and references of the Company and with the certificates on successfully completed contracts and financial status of the Company for the year 1978.

SUCCESSFUL TENDERER:

The tenderer shall be considered successful:
(1) if he offers the fixed price;
(2) if he proposes the shorter but real time for completion of the works called for in the Tandar Documents. the Tender Documents;
(3) if he gives evidence of the technical capability of his Company and qualified

RIGHT TO PARTICIPATE IN TENDERING: The right to participate in tendering procedure goes only to companies from the countries which are members of the international Bank for Reconstruction and Development (IBRD) and from Switzerland.

The works which are the subject matter of the present international competitive bidding shall be co-financed by the International Bank for Reconstruction and Development.

DECISION TO BE MADE:

The decision on selection of the tenderer shall be made within 15 (fifteen) days from the closing date for receipt of Tenders. DESIGN DOCUMENTS: The facilities and works called for in the Contract Documents have been designed by ENERGOPROJEKT, Hydro-technical Consulting and Engineering Division, Beograd. The designs can be inspected and tenderers can inform themselves of the location of the works and of other details required at the offices of the Employer on each working day from 6.00 a.m. till 2.00 p.m., except Saturdaya, telephone number 032-43-095, "VODOVOD" Cacak.

TENDER DOCUMENTS: The tenders shall be submitted exclusively on the forms provided for in the Tender Documents. Two copies of Tender Documents can be obtained:

—against the charge of 1,800.00 dinars, payable to the current account of "VODOVOD." Cacak and

VOIDOVOID "Carak and a country of "ENERGO-sagainst the charge of US\$100.00 payable to the current account of "ENERGO-PROJEKT" Bureau for Communal and Industrial Sanitary Engineering, Beograd, Zeleni Venac Str. No. 18, fourth floor, tel. number 011/627-522/433, for the foreign

tenderers, . SUBMISSION OF TENDERS: The Tenders shall be submitted to the following address:

"(COTOCOTO Vojvode Stepe Str. No. 8 22000 CACAK YUGOSLAVIA

SUDAN RAILWAYS

STORES DEPARTMENT.

Contract No. 5194 Supply of 10 (ten) Light Diesel Electric

"NOTICE"

(1) Controller of Stores, Sudan Railways, Athara, invites tenders for the supply of 10 (ten) Light Diesel Electric Main Line Locomotives.

Main Line Locomotives

(2) Retails, specification and relevant drawings can be obtained from the Office of Controller of Stores, P.O. Box 85, Athara, or from Stores Representative, Khartoum, Tel. 74793, or Sudan Government Purchasing Agent, 36 Cleveland Row, St. James's Street, London, S.W.I. on submitting a written application bearing 50mms stamp duty and payment of 12300 (2480 in starting) (£450 in sterling).

(3) Documents will be ready for collection by tenderers (4) The closing date fixed for acceptance of tenders in SUDAN is Saturday, 29th September, 1979, at 12.00 hours hour. (5) Controller of Stores is not bound to accept the lowest or any other tenders.

OFFICE OF CONTROLLER OF STORES

SUDAN RAILWAYS STORES DEPARTMENT Contract No. 5193

Main Line Locomotives

Supply of 10 (ten) Heavy Diesel Electric

"NOTICE" (I) Controller of Stores, Siden Railways, Athers, invites tenders for the supply of 10 (ten) Reavy Diesel Electric Main Line Locomotives.

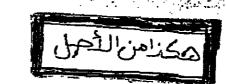
(2) Details, specification and relevant drawings can be obtained from the Office of Controller of Stores, P.O. Box 65. Athera, or from Stores Representative, Khartonin, Tel: 74793. or Sudan Government Purchasing Agent, 3-5 Cleveland Row, St. James's Street, London, S.W.I. on submitting a written application bearing 50mms stamp duty and payment of Ls. 300 (2450 in sterling).

(3) Documents will be ready for collection by tenderers on 15th July 1979. (4) The closing date fixed for acceptance of tenders in

SUDAN is Saturday, 29th September, 1979, at 12.00 hours noon.

. (5) Controller of Stores is not bound to accept the lowest

OFFICE OF CONTROLLER OF STORES



METALWORKING

New range of milling and boring machines

NEW MILLING and horing an overarm to carry arbour machines by Induma are avail supports able in three sizes with 15, 20. All axes can be fitted with

and 25 hp main spindle drives. recirculating ballstrews and do These machines have been feed motors which provide designed to be produced in the tange 10 to 2,000 mm/min are marketed in the UK by RK. Rapid traverse rate is 3,000 mm/s designed to be produced in volume to give a low cost and are marketed in the UK by RK-International Machine Tools of Etith Kent.

All machines have the same layout that is, bed with X axis travel, column with vertical Y axis travel and a saddle on the column for Z axis. The smallest version, the MBM 15, has 1,250 mm of longitudinal travel. This increases to 1,500 mm on the MBM 20 and 2,900 mm on the MBM 25. The corresponding figures for Z axis are 700. 800 and 900 mm

vertical (Y axis) travel. The main spincile has an ISO 50 taper and there are 18 spindle speeds in the range 28 to 1,400 rpm. For rigid horizontal millrpm. For rigid horizontal mill- Trading Estate, Fraser Road, ing, the headstock is fitted with Erith, Kent. Erith 47611.

This feed system makes the

machines particularly suited to the fitting of additional electronic controls such as electronic copying or numerical control

When the Philips 6663 CNC system is fitted, all the controls are incorporated into a special pendant which includes a keyboard for editing and manual data input-

sories available with all the MBM series include double All machines have a 1000 mm spindle head (one horizontal, one vertical), universal swivelling head, power draw bar and hydraulic clamping on all axes. RK International, Europa

This can be supplied as either "normally closed" or "normally

open." The unit's diaphram is controlled by an adjustable spring with approximate settings

Motion is transferred through

the control nut and dust seal to the valve which opens - or closes — as the pressure rises above the set point. It automatically resets when the pres-

phragm and a brass and stain-

less sizel assembly. Full technical information is avail-

able from Delta Controls at 145

Landon Road, Kingston-upon-Thames. (01-549 3451).

units. One is a standard rack mounting with a cooler, and the

ing of plastics, spectroscopy, general laboratory use, engrav-

ing wood and plastics, fusing of

buyers and suppliers and con-tract expiry dates.

Other information immediately available includes the state of trading accounts and

the total sterling value of con-

tracts in order that credit limits set by Export Guarantee Departments are not exceeded.

A range of other reports and analyses can be produced by

speeds to ensure gentle handling of liquids with a minimum of

shear is the Fristam FK range of rotary positive pumps, intro-

duced to the UK by Alpha Technical Services, Altec House, Bri

gade Close, Harrow, Middx. (01-

Pumps are made of high grade

Capacities are to 50,000 litres

Range is said to be of hygienic

422 3400).

per hour.

COMPONENTS

Devised for danger zones

A DIAPHRAGM operated air primary sensing range that pressure receiver switch has actuates a three-way line valve, been devised by Delta Controls. This can be supplied as either for use in pneumatic control systems in hazardous areas at Sterling Organics's Dudley. Northumberland, plant.

It has been called the Type.

262 and has a range of 0.2-1.0 Bar. It was designed to Sterling Organics's specification for use as an interfacing device between normal process control signals at 3-15 psi to direct switch power logic systems operating at 80 sure falls.

psi.

Sterling Organics has about zinc plated mild steel with a three dozen of the Delta nylon reinforced nitrile diameters and the delta steel with a constant of the delta steel with a const switches working with the extensive pneumatic instrumentation: and process control equipment throughout the plant, which produces fine organic chemicals... The device has an adjustable

• INSTRUMENTS

Laser has many roles

CARBON DIOXIDE lasers and spectral range, the Ferranti accessories the CM Series CM1000 waveguide laser has a are being introduced to meet choice of two power supply the emerging needs of systems designers in this field. First product in this Ferranti-other a compact ruggedised range is the Type CM1000-21 middiar unit constructed to full First product in this Ferranti-

Waveguide lasers offer dis military specifications Watt waveguide unit. tinct advantages over their laser are varied, with uses in compact rugged construction, such infiltary and tivil fields as tinuous wave output, a timable velocimetry, infrared beacons output frequency range, and an and scanners, welding and drillgiving a highly stable conoperational life before refill of

typically 500 hours.

cavity length transducer cap optical fibres, and laser surgery.

able of tuning the laser Ferranti, Dunsinane Avenue, frequency through one complete Dundee DD2 3PN. 0382 8939. SERVICES.

Speeds the information

traders and brokers launched immediate entry of information by CMG Computer Manage on contracts, shippers, buyers ment Group is expected to be and suppliers covering details used by many groups dealing such as trade accounts, bills of in a variety of commodities. exchange, invoices, credit and debit notes etc. Instant inquiries can be made concerning a contract, commitments to Developed by CMG Southern

in Croydon, the INTACT service will enable traders. more accurately and rapidly to monitor contract commitments and to provide all the associated accounting require

INTACT (International Trading and Accounting System) visual display terminals in the traders' offices to accurate analyses can be produced and up-to-date information on INFACT including day books, and up-to-date information of the INFACT including day books.

Each trading company using vices, commitment lists showing the service will have its own debtors and creditors, VAT confidential file set up on the analysis nominal ledger, trading computer systems which is run analysis, and stock accounting on twin Burroughs B3800 com- C. M. G. Sonthern, Sunley on twin Burroughs B3800 comon twin Burroughs B3800 com- C. M. G. Sontnern, Suntagon twin Burroughs B3800 com- C. M. G. Sontnern, Suntagon twin Burroughs B3800 com- C. M. G. Sontnern, Suntagon twin Burroughs B3800 com- C. M. G. Sontnern, Suntagon twin Burroughs B3800 com- C. M. G. Sontnern, Suntagon twin B3800 co

• PROCESSING Makes connection easier

CONNECTING solid aluminium which is now using the system cables into terminal boxes and on current power-station conother confined spaces has been tracts. simplified following the intro-duction of equipment which forms terminal ends by Mercia

LES 2FG. Leicester (0533) Engineering, one of the Redman 881404 Heenan International group of

ompanies.
Although such cables have Pumps for been in use for a number of years, difficulties are still being food experienced in manipulating them into, and subsequently limited space available in terminal boxes originally designed for copper cables.

With the space available in period open cables. DESIGNED TO operate at low

With the Mercia system, which was developed with the Central Electricity Research Laboratories, the terminal ends of the cables are first flattened to controlled thickness and then pierced to accept the clamp bolt in a hand-held hydraulically-

stainless steel with nickel alloy operated press. rotors and are capable of Cables, as a consequence, can handling high viscosity fluids be bolted directly into terminal with smooth flow and precise boxes without recourse to crimped on lugs; the method accuracy. used hitherto and one that, due to the length and stiffness of the lugs, adds to the difficulties of

taking connections.

Quick-dismantling design and
This new fechnique has been can be sealed to suit most applimaking connections. fully approved both electrically cations in the food, dairy, and mechanically by CEGB tolletry and chemical industries.

Simplified control of multiple lifts

NOTHING IS more frustrating design and in the way a control than to stand waiting for one of system is specified. several lifts at a landing only to find that, like the legendary No. 11 buses in London, they are moving in convoy and happen to be as far away from one as

But lift systems can be and are tailored to meet conditions people traffic" in the buildings in which they are installed. The snag is that with the traditional electrical relay con-trollers, any change in occupancy, or even a staff redistribution can entail a lengthy redesign of the controllers and protracted sessions by the lift engineers with festoons

wiring.
The criterion for successful control of a lift system is average waiting time, which is a quite complex value to determine since if a computer is used to check the older installaseveral hundred connections must be made to existing control wires before any meaningful measurements can take place.

Once the pattern of operations has been captured, however, it is a matter for the analytical specialists using graphical techniques to compress a mass detail into easily read

carried out over the past four to five years, has enabled the company to make a major both in the area of controller is a simple matter to stop

The designers and the company management are claiming a breakthrough, but they are quietly confident that the way in which they have used microelectronics to standardise control board design and make alterations to control programes simple, even for the most complex and fastest of lift systems, gives them a lead of between 12 and 18 months over any opposition.

All a lift engineer has to do when a programme changes is to replace the memory device holding the earlier programme with a reprogrammed unit. All he has to do if a fault develops on a board is to slide in a new one-and the experimental units which have been under test for a considerable time are showing reliabilities of a very high order.
One extremely important con-

that tailoring a lift system to a given building is no longer a protracted manufacturing procedure. The lift engineers specify the controller as they did before in "lift language" and the computer specialists turn this directly into a control programme. But the installation to suit this building, or the one At Express Lift Company in next door will be identical, Northampton, work like this, except for a tiny component carried out over the past four which will have the programme "burned" into it, and the num-

multiple lifts from "hunting" or to instruct them to return to landings with the heaviest sequence of this approach is traffic, etc., etc.

The Express Traffic Processor control system as it now stands is capable of providing fully automatic optimised control for up to eight interconnected lifts the medium-speed geared or high-speed gearless types. Complete control equipment for the eight lifts goes into a single cabinet taking up, say, one-tenth of the floor space needed by the relay-based equivalent.

With it, diagnostics, or traffic company to make a major ber of control cards which corre-advance in control techniques, sponds to the number of lifts. It computer become simply a matter of plugging in one

connection and there is no reason why this should not be done between Northampton and any site over a telephone link. This is a first major step

towards a complete stream-lining of lift control systems. A further one is likely to be in the control of the motors themselves. Express is a member of the

GEC group and GEC's Hirst Research Centre co-operated in the development of the special language used quickly to modify control operations.

Express Lift Company, Abbey Works, Weeden Road, Northampton NN5 5BT. 0604

is in the cabinet on the left. It is a four-lift unit with, on its right, the process control machine which is monitoring its reactions to simulated building traffic. Next to this is the scientific machine which is used to manipulate programmes to suit demand patterns. This centre at Northampton could be used to test, remotely, installations in the UK, using an appro-priately switched telephone line as the link. It would, in

fact, be possible to take

control of a lift system from

this laboratory.



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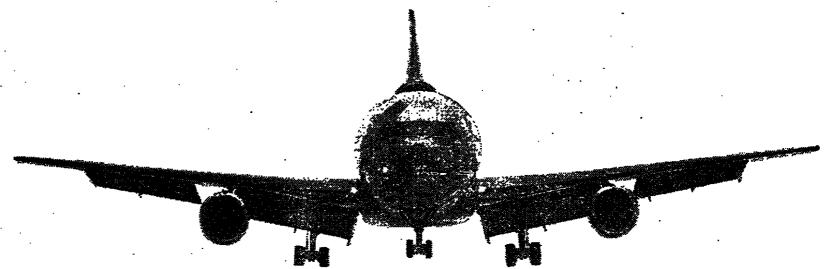
MI NORGREN LID.

RESEARCH Study of energy use at school

IN ORDER to assess the value of its energy-conserving design. a new school to be built in Walmley—the Church England's Sutton Coldfield Deanery First and Middle Schools—will be monitored for four years by the Birmingham School of Architecture, which is responsible for the research in co-operation with the Diocesan Education Council, Education Dept., Architect's Dept., and West Midland Gas Board.

Architects have embody some of the best aspects of both open and closed planning of different areas in accordance with current educationist thinking, and their prime aim has been to achieve a smallscale character which will not overawe the children.

Design of the project is by Birmingham architect, John P. Osborne and Son, and it is to be built by Turriff Construction under a contract valued at about £650,000.



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Building and Civil Engineering

£70m factory in Algeria

IN JOINT venture with is due for completion in just Bos Kalis Westminster Con-Heilmann and Littman of West under 21 years.

Germany, Bos Kalis Westminster Con-struction which was formed at the end of 1978 by an amalsation Sonacome, the contract be completed in 3 years.

Markham Development.

£1.1m; industrial development at Reading, £1.03m; industrial

£400,000; industrial develop-

Boreham

Germany, Bos Kalis West. Delta GmbH, the West Germinster Construction B.V. of man subsidiary of the Royal Dordrecht, Holland, has won a Bos Kalis Westminster Group, £70m contract for the construc- has received an order to contion of a factory in Ain Smara, struct a barrage at Krotzenburg Algeria. The factory is to be used by Ingersoll Rand for the used by Ingersoll Rand for the Group's piling company will production of air compressors. undertake pile driving work for struction of the Oncological Included in the contract is this £13m contract, which will Institute in Tilburg, a laborative construction of a training also be carried out in joint tory in Nieuwegein, housing in centre and a village. Awarded venture with Heilmann and by the Algerian state organi- Littmann. This contract is to

gamation of Group subsidiaries Dirk Verstoep and IGB, says it has also been awarded work in the Netherlands valued at £11m. The projects include con-Breda and schools in Hoorn, Elburg Groningen.

THE PHASED demolition and rebuilding of the No. 18 Command Workshop REME, Boying-

ton Camp, Dorset, is the subject

of a £4.8m award to Cementa-

tion Construction by the Pro-

Work includes demolition of 50 existing buildings, the erec-

shop 160 x 80 metres, with overhead electric travelling crane,

roller shutter doors, concrete

floors and underfloor heating.

tion of a new boiler house, small-arms firing range, and five

Latter buildings will include

a two-storey brick and concrete

office block and single-storey annexe for toilets, locker room,

first-aid centre and a trade

£4m awards

perty Services Agency.

ancillary buildings.

training workshop.

Awards to J. M. Jones Rebuilding at army

camp

INCLUDED IN new contracts pany for roads and services in for J. M. Jones and Sons, of Reading at about £im. Maidenhead, are seven projects

One of the Seven cation Committee, the company These include factories and will build an extension to the warehousing at Bexley, Kent, College of Further Education. Other work includes lecture and bedroom blocks for the Institute of Marketing, at Cookham, Berkshire, worth £1.3m. ments in Bridgewater and and offices and shops at Bristol, £900,000. Markham has £619,000 in Reading, for Samuel

£2m contracts for Bryant

also placed work with the com- Properties Developments.

Wood,

TWO CONTRACTS, together worth £2.2m, have been won by £448,600, is from West Midlands the major one being for site sion of Birmingham's Middle grading, roads and drainage to Ring Road. This comprises 400 Solihull Industrial Estate, a metres in dual carriageway 50-acre industrial development. bridging the River Rea and ex-Client is Bryant-Samuel Proper- tending to Hick Street. The ties, owned jointly by Bryant Holdings and Samuel Proper-

Bryant Civil Engineering, County Council for the extenworks join on to an earlier section also built by the company. ties and the architect Peter G. Maunsell and Partners are Hing and Jones. the consulting engineers.

New telephone exchange

Architectural Metalwork

Highway Safety Parapets

STAINLESS STEEL, ALUMINIUM, BRASS, MILD STEEL

Considerable experience in Middle East.

Allied Engineering Co. Ltd.,

SCOTTISH Telecommunications the Stirling area. Building will Board, through the Property be of concrete columns and Services Agency, has awarded brick construction and will also the contract for a new telephone exchange at Stirling to Gilbert Post Office staff. Ash Scotland. This is being run on a Design Build basis and is valued at just under £1m.

crease telephone facilities for valued at over £1.25m.

Balustrading

contain welfare facilities for

Company has also won a contract for an extension to Lesmahagow High School for The new exchange will in- Strathclyde Regional Council,

Tel: Paddock Wood

Telex: 95307 ALENCO G

to Sir R. **McAlpine** OFFICE BLOCKS in Leeds, and

a bus station and railway interchange at Gateshead, constitute £4m worth of work awarded to Sir Robert McAlpine and Sons. Gateshead contract is worth nore than £1m and covers part of the Tyne and Wear Metro system. It calls for a concourse entrance building, subways, shelters, roadworks and land-

Demolition starts in Leeds city centre on nos. 6-8 and 13-15 East Parade, prior to the construction of two office blocks for Abacus Developments, with an aggregate contract worth £3m. Existing facade of nos. 13-15 is to be retained and built in to the new structures which will be reinforced concrete framed buildings, brick clad with mansard roofs.

£11m Kyle **Stewart** award

A START has been made on the film second phase of a research facility for Smith Kline and French Laboratories at Welwyn, Herts.

Work has already been started on the project which covers 235,000 sq ft of labora-tories, offices, canteen and welfare facilities and library.

When this part is completed in October, 1981, the whole facility, all designed by Kyle Stewart, will cover about 350,000 sq ft.

The latest phase comprises a reinforced concrete, fully air-conditioned four-storey block, linked to the phase one con-struction and to existing buildings, which are to be re-furnished as part of the total

£4m housing tion of a new steel-framed workshon 160 v 80 maters with Dhabi

work includes construct THE John Laing Group asso-of a new boiler house, ciate company, Al Naboodah arms firing range, and five Laing, has been awarded a £4m contract to build 200 houses for the Office of Diwan of the Ruler's Representative of Eastern Province of Emirate of Abu Dhabi. Com-

pletion is due in 18 months. The houses will occupy two sites of 100 each—one site is 6 km south of Al Ain and the other 30 km to the east of the town. Construction will consist of in situ concrete and blockwork infill panels, with the majority of the houses having a Tyrolean render external The architects are Conser of Lebanon and Abu

Rail track

CONSTRUCTION OF trackwork in the central area of Tyne and Wear Metro started last month under a £1.5m contract awarded to Balfour Beatty Construction.

Work comprises some 3.709 metres of trackwork on pre-cast sleepers in ballast; 4,458 metres of trackwork on concrete block sleepers cast into a continuous slab; two scissors crossovers; four crossovers, and provision for associated drainage and signalling equipment.

All these

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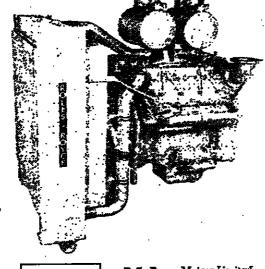
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THE THOROUGHERED POWER OF OVER 800 HORSES!

Work rolls into Wimpey

Milton Keynes, Bucks. This £64m North Harbour site. milton Reynes, Butcs. Ims 204m contract calls for a building with receiving and shipping bays covering 42,150 square metres and offering a clear height of 9 metres. Within the storey glazed pedestrian arcade or "street," which also joins end bay will be a two-storey service block and cafeteria. Architects are Howard Fair-

bairn and Partners. A second award to Wimpey is a management contract for a development for IBM United Kingdom at North Harbour, Portsmouth designed by Arup Associates.

This project, the fourth phase of the site development, covers a complex of buildings totalling about 33,190 square metres,

Jobs for Monk in south-west

CONTRACTS WORTH £2.1m, to be supervised from its regional office at Taunton, Somerset, have been won by A. Monk and Co.

Largest job is for Welsh Development Agency at Ebbw Vale for a £1.6m single storey factory extension for Alfred Teves on the Waun-y-Pound industrial estate, plus a two storey office block.

At Avonmouth, the company is to carry out civil engineering new copper dross plant for K. C. White and Partners; Commonwealth Smelting. Pro-Other new awards inch work connected with a proposed ject is valued at £328,000 and involves the construction of various substructures, bases, bund walls and general foundations to separate buildings, and Partners); building five settling and storage areas and almshouses in Warwick, worth other external structures.

Refuse handling plants

TWO FURTHER contracts for veyor system and refuse balling refuse handling plants have equipment Additionally, there been won by Bovis Civil Engineering, who built the Brentford refuse transfer station, winner of last year's Financial Times Industrial

Architecture Award.
In Bradford, the company will plant for the West Yorkshire Metropolitan District Council. This includes a 3.000 square single storey, steel metre. framed building to house a con- civic amenity areas.

will be a weighbridge, amenity block hard standing area, piled foundations and site drainage.

Second contract is for a £366,000 refuse transfer station at Midsomer Norton, Avon, and build a £1.45m refuse baling comprises a steel-framed refuse reception building of 430 square metres together with administration offices, pump house, access roads, hard standing and

OVER £11m worth of contracts housing the new main entrance, croft which also contains pile have just been awarded to Wim-administrative offices, computer caps.

pey.

For General Motors, the company is suited and cafeteria together Overseas, the company's subwith other central amenities sidiary, Wimpey Offshore Company is to build a warehouse at serving the whole of the IBM struction Company Inc., has been awarded jointly by the Government of the Yemen Arab Republic and the Netherlands The complex of buildings is made up of four stepped blocks linked together by a threea £47m contract for the construction of the Dhamer health complex in the Yemen struction of Arab Republic: the existing buildings. Three of

> vices building the whole covering 7,800 sq metres. The main part of the complex will include the ground level of this fourth All buildings will be on piled operating and casualty facilities, laundries, kitchens and ancillary services. foundations on this site which is land reclaimed from the sea.

Generally, the ground floor is to be of proprietary precess concrete construction at a raised The architect is Van de Stoep BV—Architecture and Planning. level to create a services under-

PROJECTS worth about film Charity (architects: Donald A.

The largest, valued at DC at a cost of £53,293 (archi-£299,000, is 24 dwellings for the tects: Harley-Smith, Steel and Metropolitan Borough of Soli Breeze. hull. Another, worth £191,000. for the Hereford and Worces County Council covers extenfor Wallace House sions

Waller has also been com-missioned by High-Point Project Management to build a warehouse, value £104,500, in Cardigan Street, Birmingham MINISTRY OF Housing Land (architect: J. Farquhar Assoc.). and to build a church meeting hall with flat over at the Parish Church, Aston, Birmingham, at a cost of £161,600 (architect.

Other new awards include the refurbishing and extension £90,000 (architects: G. R. Stone

£78,631, for Warwick United

£1m worth to Waller are to be undertaken by George James and Partners) and Waller (Warwick). carrying out eight house modernisations for Warwick

Study of

and Urban Development in Dar-es-Salaam has signed an agreement Howard with Humphreys and Partners for the consulting engineers to carry out a World Bank funded master plan and feasibility of Nash House, Park Village study of the sewerage and low East, London NW1, value cost sanitation situation in sanitation situation in greater Dar-es-Salaam.

Worth £im to Howard Humphreys, the study willdetail a least-cost first stage programme of sewerage and low cost sanitation improvements to be implemented during the period 1980 to 1984.

Report will not only include technical, economical and financial studies of this first stage programme, but will also make recommendations for the development of administrative, technical, commercial and financial capabilities in the agency identified as being the administrative and operational unit for Dar as Salaam sewerage. For Saudi Arabia, this aspect of the work the firm . The Jahn William Group

JU MARLEY Roof Tiles Total leadership through tile technology

allt

the blocks are three storeys. The complex will be a single high, and one four storeys high storey building linked, with a linked with a linked one four storeys high storey building linked, with a linked one four storeys high storey building linked with a linked on the cafeteria facilities form centrally situated technical serdiving contract

IN JUST two years operation Global Diving Services of Aber deen claims to have be of Britain's fastest growing diving contractors specialisms in international oilfield con struction, maintenance and in spection operations from be

in Aberdeen, Great Yarmanth. Cairo and Dublin. One of the most fiercely contested North Sea diving contracts, awarded by Occide Petroleum Caledonia, has been won by the company which with options, will extend to me end of 1981; and is believed in be worth about \$2.5m a year. Contract is for the provision

of saturation diving services aboard the MV Northern E-piorer, and aboard Occidentaly new multi-function support ve sel. MSV Tharos. under construction in Japan for the Piper and Claymore fields Additionally, the contract will for annual inspection of the jet

ties, pipelines, and single him moorings at Occidental's Flott

IN BRIEF

• For £650,000 Costain is by extend office facilities in Braunstone. Leicester, to be used by 3.S.C. Footwaar Supplies. 40 additional two floors will go on the existing three-storey openlink bridge will connect this a the main office building.

Selleck Nicholls William (EEC) has been awarded a cuttract worth £659,736 by the Cornwall independent his pitals Trust for the construction of a 25-bed private hos

pital at Truro. • S. W. Farmer Group says has woo contracts in the Middle East totalling 11 mg. One is for a glass container production plant in Cairo and the other to a printing works in Jeddah,

has the assistance of the man has been awarded; a 1035,000 agement consultancy of Peat contract by the Trusties of the Marwick Mitchell and Co. of Bedford Cantre to build a sports

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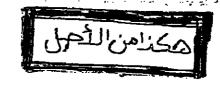
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A FINANCIAL TIMES CONFERENCE



EDITED BY CHRISTOPHER LORENZ

THE MANAGEMENT PAGE

= fax system at - fault, say Wilson-critics

strict in their lending require ments to small companies so say the providers themselves in reply to the Wilson Comments to small companies so Before answering that quessay the providers themselves bon say the harkers, it is in reply to the Wilson Companies to emphasise the unmittee's interim report on the certainty involved in predicting financing of small firms. They which companies will succeed argue that it is the tax exercises. argue that it is the tex system or fall particularly so with which is at fault and that it small companies.

should be made to discriminate We accept that if it is con-

organisations—including ICFC is necessary that what appears (the Industrial and Commer to be medium filers will have the State backed NRDC high filers which alone at the commer to be supported as well as the the State backed NRDC high filers which alone at the commercial results. (the Industrial and tommes—cial Finance Corporation) and to be supported as which alone at high filers which alone at (National Research Developpresent quality easily for supported as which alone at high filers which alone at higher rate of this be a higher rate of have divided the problems of wastage argue the nine financing the small firms sector into two groups.

in sufficient volume? And is silent on how the cost of second. Are the qualitative this wastage . Is to be home." tests for applicants too severe?

institution is that the qualita directly through "unfruitful" tive tests as applied at present, grants or indirectly farough tax are not teo severe. They must, set offs to the other parties they insist, be reasonably involved—financial institutions. prudent in their handling of private investors, and trade what is in fact other people's creditors. money. They must also We believe that providing obtain the best return available help to the private investor is from other forms of investment, the key to the problem. We note taking into account the com-

parative risks: If the Wilson Committee the grounds that nothing will be (which is reviewing the func- achieved without political will tioning of the City's financial and commitment by the Governinstitutions) had examined ment of the day." -these two points separately say the bankers, then it would have encouraged to risk their money led them to highlight the fol- and provide support, then the lowing question: "Is it in the tax system should aim to public interest that small firms shorten, not lengthen the odds, which are unable to meet the say the bankers.

service is a

Systems

Donations and information:

Major The Earl of Accester, KCYO, TD., Midland Bank

Limited: 60 West Smithfield.

British Limbless

GIVE TO THOSE WHO GAVE PIEASE DO WASLED.

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THE PROVIDERS: of develop qualitative requirements of the ment capital are not excessively finencial market should nevertheless be supported?

in favour of the small private sidered to be in the public investor.

Nine development capital small firms should be larger, it

This, in turn, would create an additional cost from the in-The problem they say, is vestments which did not both quantitative and qualita succeed say the bankers adding tive. First Is money available "We note that the committee

They point out that the cost of The nine bodies argue that failure will have to be borne the evidence from all types of either by the State — either

has side-stepped this issue on

If small investors are to be

"For today's larger Building Societies, better customer

market for long. Indeed, Commodore took a nearly disastrous fall in 1975.

difficult transition.

the 1970s, while many bigger

rivals were crashing out of the

business, Commodore's Presi-

dent Jack Tramiel, has needed

remarkably steady nerves and

an ability not to look down too

He has also needed to show

exceptionally fast footwork to

being stuck with obsolete pro-

His creation is an example

of the type of fast-moving

entrepreneurial company which

Britain's Government has pro-

fessed itself anxious to encour-

age, and of which the UK is

conspicuously short in the electronics field.

Commodore was one of the

first companies into the boom-

shake-out, it is one of the few

Shake-out

business.

from this particular race.

Machines is a company which an overall pretax loss of \$5m inspires a certain feeling of vertigo. Unlike many of its Californian neighbours, it has on total sales of \$55.8m and its loss from calculators was prob-

ably about \$7m.

managed to balance for the past But last year it recovered im-pressively with a pre-tax profit decade on a high wire of microelectronics technology over some notoriously unstable markets, including those of electronic of \$5.2m, although sales at \$50m were hardly bigger than those in 1974. Even in the last two watches and calculators. Yet years, however, the company it is much older than most of them, having started its life has made some major shifts in its product range and in the 25 years ago in the very tradigeographical distribution of its tional market for mechanical markets. And it has made the office machines. It is one of changes with the quick footedthe few companies in the world successfully to accomplish this ness and balance which is essential for survival in extremely risky business. To keep the company aloft in

The most visible sign of this change in the high street is the Commodore PET, a personal computer which sells in its basic form for £500, a price which would have seemed astonishing even five years ago. Commodore was one of the first companies to sell a personal computer outsurvive the continual risk of side the hobby market, and it has gained almost a two-year lead over a competing system ducts and to avoid being caught by the giddy fall in margins. which is being offered later this year by Texas Instruments.

> The PET, originally conceived mainly as a consumer item, has in fact achieved most of its success among small businessmen, professionals and academics. It has therefore been able to bounce a large part of the company out of the precarious consumer market into the competitive but much more market stable business systems.

ing market for hand held calculators and later digital The Systems division of the watches. Now after a major company, which includes the PET and the successful KIM companies to have survived in series of microcomputer board. grew from virtually nothing Even large like Rockwell, and during last year to sales of \$12.2m with profits of \$2.6m. specialised semiconductor companies including Fairchild and Without this diversification, a National Semiconductor, have 40 per cent fall in sales of con-wholly or partly withdrawn sumer products from \$32.8m in wholly or partly withdrawn 1977 to \$19.4m in 1978 would In the UK, Sinclair, which have been much more severely like Commodore, entered the felt by the company.

market at the beginning of the A change of at least equal boom, has-even with Governimportance is the way in which ment subsidy—been driven into Commodore has succeeded in a small corner and looks unthe policy which it drew up in likely to stay in the calculator 1975 to become more vertically integrated. By acquisition and expansion, it has become an important manufacturer of when almost all companies semiconductor components and made heavy losses from hand a leading manufacturer of

Max Wilkinson on a U.S. electronics group with an unusual talent for survival in markets where others have failed

Commodore calculates the

risks of living dangerously

decision undoubtedly helped the company to survive the general fall in prices.

Another plank of Commodore's expansion was greatly to boost its marketing efforts in Europe. The respectable market share achieved in Europe, par-ticularly in the UK, helped Commodore to survive the lean vears of the U.S. market. For some years Commodore

had a sizeable manufacturing operation in Britain, but this has been gradually cut back in favour of U.S. and Far East production. Last week it said its factory was to be closed. Mr. Tramiel says his Polish origin gave him an advantage in Europe because it enabled

him to understand the different ways of doing business: "Europeans expect to stay with a contract, where Americans would ask for a rebate if market conditions change."

Gimmick

Recently he has taken vertical integration one step further with a move into retailing, through a few specialist electronics stores on the west coast

In the watch and calculator market, Commodore appears still to be up among the innovators, with alarm watches and programmable calculators at competitive prices, although it may be that the Japanese have an edge in certain sectors of the market, particularly that for gimmicky calculators and multifunction watches. But a period of relative price stability seems likely to give Commodore and the other companies a certain breathing space.

Commodore's inception 1954 owed much to a meeting between Jack Tramiel and Erich Markus, head of Office Electronic Machines, the leading distributor typewriters.

At that time Mr. Tramiel had started in a small way repairing office machines. Mr. Markus introduced him to different manufacturers in the "He was my first business teacher," he says.

Partly as a result of this friendship, Mr. Tramiel got into the typewriter assembly business with a loan of \$175,000 a licence Czechoslovakia. By 1959, he had become agent for the expected growth. Quick electro-mechanical adding Japan.

Description

1) ROLLING MILLS

that he got to know the Japanese calculator company Casio. By the early 1970s he was distributing Casio electronic calculators.

But by 1973, Casio showed signs of wanting to buy him up, so Commodore took the crucial decision of concentrating on calculators of its assembled from be bought-in

Then in 1975, it found that to rely on other people's components was dangerous. As cheap machines, supplies of components became difficult.

"I saw that semiconductor chips were the key to everything in this market, but I could not afford to build a plant to make them for \$15m to \$20m. Mr. Tramiel says.

However, by waiting for a downturn in the industry, he was able to buy a small semiconductor company, MOS Technology, for \$800,000, which he regarded as a bargain. This acquisition, together with the purchase of Optical Diodes, a maker of light emitting diode displays, gave calculator Commodore main ingredients for manufacture of

its own products. It was also in MOS Technology that Commodore found the research project which was to form the basis of the PET home computer system,

Commodore's 25-year existence has thus spanned a major technological office products.

It is clear that one of the reasons for the company's sucess is that Mr. Tramiel has shown a highly agile sense of the monds of the market, developed from his earlier years in the business.

He says he was able to survive in consumer electronics where Fairchild and other giants failed because he was able to price his products according to what the market time anticipate the rapid remany ductions of cost arising from the improvements in tech-

nology. Now the company is large enough to push out its development roots in many different Electronic landirections. guage translators, telephone peripherals and video games are among the nodes of

Mr. Tramiel believes he can machine, later starting the keep ahead of much larger assembly of adding machines, companies like Texas Instrufirst in Berlin and then in ments be fostering small semiindependent research groups in

Telephone

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22) WIRE DRAWING MACHINE 9 DIE cone type. Unity.

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Richards.

8) PLATE SHEAR 4ft x 1in CINCINNATI.

9) GUILLOTINE 8ft x 0,125in PEARSON.

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3) CUT/LENGTH LINE 750 mm x 3 mm.

5in x 12in x 10in wide variable speed Four High Mill.

3.5in x 8in x 9in wide variable speed Four High Mill.



commodore's PET personal computer in operation

different parts of the U.S., each ing their office calculator ranges Many of these groups are based in universities and work under contract for Commodore.

Cattle ranch

Engineers work better in this atmosphere than in the "cattle conditions of the research and development centres of the big corporations, he believes. "We are expecting to bring out a new microprocessor-based product every three months," he says.

A great deal will depend on whether the company can maintain its position in the personal computer market in the face of growing competition larger well established electronics companies.

In the last two years the main competitions in this field have been Tandy and Apple. two comparatively small companies which have grown rapidly as a result of the hobby market in the U.S.

This summer, however, Texas Instruments, the world's largest semiconductor company an are now largely over, and the nounced that it was introducing a computer specifically aimed at

the consumer market. In the business market Wang has been moving towards the very small systems, while com-

working on a different product, to merge into the computer

How Commodore will react to these new pressures remains to be seen, but it does have the advantage of previous experience in the office equipment

world. Certainly the company is showing all the signs of having settled down into a period of high and sustained growth, with the latest results-for the third quarter of the current yearshowing a particularly impres-

sive trend. Sales in the three-month period were up 58 per cent, and earnings 78 per cent. Sales for the first nine months showed a steadier growth compared with the previous year's figures of 15 per cent, but earnings for the period jumped by an impressive

79 per cent. Of course, as Commodore's history shows, there can be no guarantee that the high growth of a high technology company will be sustained. But the strains of vertical integration product base of the company is broadening rapidly, so the outlook ought to be good. A betting man might give favourable odds that Mr. Tramiel will stay on the high wire for quite panies like Olivetti are expand- a few years.

EUROPEAN DEPOSITARY RECEIPTS
ISSUED BY
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OF NEW YORK
REPRESENTING SHARES OF
KUBOTA LTD.

COMPANY NOTICES

TORAY INDUSTRIES, INC. (formerly Toyo Rayon Kabushiki Kalsha:

S. G. WARBURG & CO. LTD. announce that a dividend of Yen 2.50 per share has been paid to share-bolders on the books of the above Company as at 31st March, 1979, in respect of the sax months period ended on that date.

Holders of Bearer Depositary Recibits issued by S. G. Warburg & Co. Ltd. may present Coupon Ro. 33 for at S. G. Warburg & Co. Ltd. may present Coupon Ro. 33 for at S. G. Warburg & Co. Ltd. Coupon Department, St. Albans House Goldsmith Street. Longon, ECZP 2DL or at Banque Internationale a Lucembourg. 2 Boulevard Royal, Lucembourg, subject to deduction of Japanese Withholding Tax and United Kingoom Income Tax ill any at the appropriate rates. Details of Lax decut- ilon can be obtained from Paying Agents.

S. G. WARBURG & CO. LTD.

OMKON IAILISI ELECIKONICS CO. Advice has been received from Tokyo
that payment of a Cash Dividence of You
5.75 per share has been inade for the
six months period ended 31s. March 1979,
The dividend will be Payable in United
United Kingdom; and will amount to
50.0657 per Depositary share before
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THE "SHELL" TRANSPORT AND TRADING COMPANY, LIMITED TRADING COMPANY, LIMITED

1979 CAPITALISATION ISSUE

NOTICE TO HOLDERS OF

SHARE WARRANTS TO BEAKER
The "Shell Transport and Trading
Company, Limited announce that turther
to notice of 18th May 1979, the period
for the deposit of Coupon No. 159 on
behalf of holders of Share Warrants to
Bearer has been extended to 27th July
1979.
Coupons must be lodged through a
Banker or other Agent who is an authorised
depositary within the meaning of the
Exchange Control Act, 1947 or by an
Approved Agent in the Republic of
Ireland. Exchange Control Act, 1947 by the Approved Agent in the Republic of Iroland.

Share certificates issued after 13th July 1979 will be in non-renounceable form, if Coupons No. 159 are no! so deposited by 27th July 1979 at Lloyds Sank Limited. 39 Threadneedle Street. London, E.C. 2. 109ether with duly completed Application and Listing Forms, the new shares to which the holder of a warrant would have been entitled will be sold and the holder of such warrant would have been entitled will be sold and the holder of such warrant would have been entitled will be sold and the holder of such warrant on subsequently depositing Coupon No. 159 and completing such forms as may be required, will be entitled to receive only the net proceeds of sale.

By Order of the Board.

By Order of the Board. G. J. OKELL. Secretary.

The General Meeting of Shareholders of Kubota Ltd. will be held on July 12 1979 at the Company's head office in Osaka. Osaka. AGENDA

1. Approval of the business report, balance sheet and brant and loss statement for the bigal term from Jartial amendment to Articles of locardata amendment to Articles of locardata amendment to Articles

3. Election of 14 directors
4. Paymon: of retiremen; allowance to
the retiring statutory auditor.
Shareholders who wan; to exercise
their softing rights must deposit their
certificates, not fater than july 11.
1979 at any of the 'ollowin's.
Morgan Guaranty Trust CY of New
York in Agents.
S. G. WARBURG & CO. LTD.
9th July. 1979. as Depositary. Morgan Guaranty Trust CY of New York in — Brussels A.enue des Arts. 35 — Longan, 33 Lombard Street — Frankfurt Main. Bockenheimer Langstrasse 8 — Pars. Place Vendome. 4 — New York 15. Broad Street Bank Mees and Hose N.V., Amstergem. P.O. Box 293 Banca Vonwiller Sp.A., Milan, 14. Wa Armordi, Krediethank, Luxembourg. 33. 8d. Royal

Royal rogerner with instructions indicating togerner with instructions indicating the way the shares bey outdoor allowing Morgan Guaranty Frest Company. Of New York to Survey additionally prove to a person designated by the Company.

LEGAL NOTICES

IN THE MATTER OF
PLANTATION HOLDINGS LIMITED
AND IN THE MATTER OF
THE COMPANIES ACT 1842
Notice to Creditors to come in and
prove debts or claims

NOTICE IS HEREBY GIVEN that the creditions of the above-named company, which is the subject of a members voluntary winding up, are required on or before 20th August 1979, being the day for that purpose fixed by Mr. R. D. Aguster and Mr. G. T. E. Parsons of Pent. Marwick, Mitchell & Co., 1 Puddle Dock, Blackfriars, London ECAV 3PD, the Joint Liquidators of the said Company, to send their names and addresses, and the particulars of their debts or cloims, and the names and addresses of their Solicitors, if any, to the undersigned at 1 Puddle Dock, Blackfriars, London ECAV 3PD, and, if so required by notice in writing from the said Liquidators, are by their Solicitors to come in and prave their said debts of cloims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved, or from objecting to such distribution.

Dated this 3rd day of July 1979, RICHARD DEVENISH AGUTTER, Chartered Accountant, Joint Liquidators. NOTICE IS HEREBY GIVEN that the

Chartered Accountant, Joint Liquidators

PUBLIC NOTICES

LYMOUTH CITY COUNCIL £3.5m Bills issued 4th July 1979, due 3rd October 1979, a 134126. Total applications £5m. Bills outstanding £0.5m.

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shock of losing arms, or legs or an

eye. It sees that rod-tape does not stand in the way of the right

entitlement to pension. And, for

severely handicapped and the elderly, it provides Residential

Homes where they can live in peace and dignity.
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need money desperately. And, we

It helps, with advice and

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Management abstracts

These summaries are condensed from the journals of abstracts published by Anbar Management Publications.
Readers cishing to consult original texts should write to PO Bor 23. Wemblen, HA9 8DJ.

The Labour Relations of U.S. Multinationals Abroad. D. Kujawa in Labour and Society (Switzerland), Vol 4 No. 1; p. 3 (23 pages).

Examines host-country induspany the operations of U.S. multinationals, especially the authority, the ability to "switch" other countries, and the allega-tion that multinationals disregard local industrial relations regard local industrial relations regard local industrial relations and values; compares these perceptions with those of labour relations of foreign multinationals in U.S. Puts forward a product-life-cycle theory to explain management behaviour and its effect on

New Scope for the Suggestion Scheme. O. J. Böhme in

avoided or remedied.

many. B. Walsh in Manage-ment Services (UK), Feb. 79; p. 22 (two pages, illus, diag.).

ment-funded study of ways of improving job satisfaction, parti-cularly for assembly-line workers; quotes examples from Daimler-Benz, AEG Telefunken (typewriters), and Volkswagen of attempts to divide assembly or component lines into smaller sections with intermediate stocks so as to give operators more control of pace,

Outlines some themes of marketing strategy and explains

trial relations conflict areas that are generally believed to accomlimitation of local management investment and production to human relations in the manufacturing sector, and examines multinational behaviour in this

(three pages, in German. English version available). Pleads for the recognition of suggestion schemes as integral parts of management methods, by widening their scope and inviting staff to use them to point out risks and to suggest how such situations can be

Assembly-Line Reform in Ger-

Summarises a German-govern-

Financial Analysis and Marketing Strategy. P. C. N. Mitchell in Management Accounting (UK), Feb. 79; p. 16 (four pages, charts, tables).

the principles of the product portfolio and of the product life cycle: discusses how the accountant can develop informa-Industrielle . Organisation tion systems to support market-(Switzerland), Dec. 78: p. 537 ing strategies.

and the product to the market.

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Try to guess who said that

BY SAMUEL BRITTAN

readers might still like to dispel the drowsiness of the weather by trying their hands should so far as practicable dis-

It is extremely simple. I have reproduced below four quotareproduced below four quota-tions from recent utterances without their authors' names sources for public investment at without their authors' names, which readers are asked to guess. But I will make it easier by saying that the four authors are (in alphabetical order) Prof. monetary targets seems pretty Milton Friedman, the monetary targets seems pretty obviously to come from Friedman; and free market man. The second, on the economist; Mr. Wynne Godley, immorality of Government's head of the new Cambridge defrauding borrowers through school which advocates, inter inflationary finance, has surely school which advocates, inter alia, import controls; Prof. F. A. Hayek, the author of the Road The third and fourth quotations to Serfdom and anti-collectivist on the case for higher Governphilosopher; and Prof. Robert Neild, another Cambridge for contracyclical planning of economist, who was a senior Government spending might be economic adviser to the first expected to come from Neild Wilson Government, Ali readers and Godley, perhaps in that have to do is to put the right order. name against the right quota-

Quotation Number One. "But if the Chancellor means for instance that he is committing himself to a reduction over a period of years in the Public Sector Borrowing Requirement or money supply, it would be far better to come right out with it. Apart from the fact that we would then have an overt formuhe seriously which could analysed and evaluated, it would stand a far greater chance of being successful through the expectations of declining inflation it would perhaps create."

toness than three in real terms compared with their issue price of 100. These are from toness from the compared with their issue price of 100. These are from the compared with their issue price of 100. These are from the compared with their issue price of 100. These are from the compared with their issue price of 100. These are from the compared with t of 100. (These are Treasury 24 per cent stock issued at par from October 28, 1946, to January 11, 1947, redeemable at three months' notice from the Government at any time since April 1, 1975.) To reduce the real value of the money someone lent you to 1-40th of its value in just over 30 years is an appalling record."

Quotation Number Three. From the long-run point of view, it seems to me preferable to resort to a temporarily higher level of borrowing rather than to a possibly permanently higher level of indirect taxes."

mon sense that Government, as and attempted at their peril by

ALTHOUGH IT is too late for whose activities cannot be midsummer madness and too guided wholly by profitability, and which for finance is in a great measure independent of the state of the capital market. at the following guessing game. tribute its expenditure over time in such a manner that it will step in when private investment the least cost and with the greatest benefit to society."

> The first quotation on firm all the characteristics of Hayek. ment borrowing and the need

I hate to disappoint, but anyone who has reasoned alone preconceived lines will score zero in this quiz. Readers who have guessed there is a catch will do better. In fact the first monetarist quotation comes from Godley (Vickers da Costa circular on The British Economy); the second one, the tirade against the treatment of holders of Daltons, comes from Neild (Lloyds Bank Review. lation of economic strategy July 1979). On the other hand the third quotation suggesting more Government borrowing instead of the VAT increase comes from Friedman (News accek, July 9); and therefore the fourth quototion on contra cyclical spending comes from

No lapses

Reference to the original context will show that these are not lapses or inconsistencies. The actual doctrines of great men-even so-called extremists -are far more subtle than the stereotypes which circulate. Marx said that whatever else he was, he was not a Marxist Ex-patients of Sigmund Freud report that he repeatedly violated the Freudian canons; and Keynes was not much like a present-day Keynesian.

Good doctrinaire thinking, so Quotation Number Four. "On far from consisting of a set of the other hand, it is merely com- cliches, is very difficult instead, the higgest spender and investor practical political practitioners

First moves today on reversing closed shop principle

Relations Act, 1974, authorising Party. and enforcing the closed shop in industry will be taken today, not at Westminster but in

Strasbourg.
The Solicitor-General, Sir Ian Percival, QC, MP, is appearing before the European Commis-sion of Human Rights in an brought against the British Government by three workers who complain of their dismissal from work because they refused to join a trade union. They claim that the law on the closed shop is a violation of Article 11 of the European Convention on Human Rights. That Article guarantees free-

dom of association, including the right to form and join trade unions for the protection of workers' rights. The argument right not to join a trade union, which is in practice cancelled where there is a closed shop, that is, compulsory union membership as a condition of securing or retaining employ-

stout support of its own legislation before the European tribunal constituted a potential embarrassment to the Administration of Mrs. Thatcher. But the Solicitor-General is likely to seek a way out of the legal the reason for the dismissal is difficult to apply.

THE GOVERNMENT'S first step impasse of having to defend an that the employee is not a towards reversing the provision aspect of industrial law that is member of a specified union. in the Trade Union and Labour anathema to the Conservative

> He will point out to the Commissioners in Strasbourg that under the 1971 legislation freedom of workers whether they become members of a trade union will again soon be restored.
>
> Hence, it will be said, the

present complainants would have had no right to complain either before 1974, nor will they have any complaint in the very near future. And since the European Commission is not a finding body and an instrument conciliation between comto make a finding of any viola-The legal issue is in any event a tricky one that the Commis-

the protection against unfair

Among unionised workers closed shop is that union bar dards required by film producers roughly two out of every five are gaining strength would be en-might decline and the closed employed in closed shops, so feebled, in at least some spheres shop might be imperilled." that the present law removes of employment, if the closed shop were simply prohibited by of the Heath Administration the dismissal on the ground of non-law. Interestingly, in one of the closed shop was optional and union membership in less than rare closed shop cases to come choice to half of the labour force of the before the courts, a full recogni-

THE WEEK IN THE COURTS

BY JUSTINIAN

court of law but both a fact- country. The only exception plainants and governments, it joining a union on grounds of will be urged not to proceed religious belief. It is unfair to dismiss or

is that that fundamental free tion, but simply to dismiss the victimise an employee who dom necessarily includes the applications on suitable terms. objects on religious grounds. The Royal Commission on Trade Unions has recommended a sion may not wish to tackle further safeguard in respect of unless it is forced to do so. The wider concept was rejected by present law in England is that wider concept was rejected by the dismissal of a worker by his Parliament in 1974 because it employer is to be regarded as was thought that it would be The last Administration's fair if it is the practice under used as a device on the part of stout support of its own legisla-

said that the Film Artistes' contracts between the employer Association was in fact a union in question and his customers, sufficiently powerful to be able. But this is where the protection to operate a closed shop within which the law gives trade unions a radius of 50 miles of London. In respect of action in further engaging in such work in film into play.

to increase much beyond the limited the protection afforded at present figures their members; by the 1974 Act to disputes that 390.

Irrespective of the 1974 law. the legality of the closed shop compliance, of a closed shop is not a simple question in against non-union labour or.

English law. There is not, nor labour belonging to the wrong has there ever been a rule union involves only a lawful or closed shop although the lawful or closed shop without the lawful or clos membership to be lawful or closed shop either where unlawful. The establishment of membership of one unloga closed shop in the teeth of exclusively is required or managerial opposition of course, where membership of some requires economic pressure by trade union is required not the union to secure an agree mally demands managerial anent that non-union labour assent.

Should not be hired or retained.

Management these

ternative workdorce.* Law unsympathetic, to strike The Court of Appeal in 1963 action, or to interference with

studios within that area had to The Government will no doubt be a member. wall and see the outcome of a The Association had then case now before the House of 1,600-1,700 members and re- Lords that raises the extent of ceived about 5,000-6,000 applies trade union immunity from tions to join every year. The legal action. In Express News. Court went on to observe that papers Ltd. v. McShanet the "if the membership was allowed. Court of Appeal last December."

The economic and organisa would hardly earn a living wage; were reasonably capable, or tional justification for the moreover, the technical stan have a practical prospect, on the technical stan have a practical prospect, on the desired prospect of the desired prospect o furthering the dispute; heres the sympathetic strike action was not protected.

Enforcement, with managerial combination. Maintenance of a

Management littelf sees that country. The only exception tion was accorded to the need. The lawfulness of establishing multi-unionism spells friction under the present law is where the worker genuinely objects to tainment business where there on the means employed. Here and therefore, seeks to dear tainment business where there on the means employed. Here and therefore, seeks to dear religious belief. peace and orderliness: peace and orderliness. It is only where the closed shop requires membership of our union exclusively that the individual's freedom of choice is extinguished within the area of control of the closed shop. Buy that is as much a product of management action as of bate unionism. Thus the freedom not to join a union is not the reverse side of the same contributions. that guarantees a freedom to Faramus v. Fum Artister

Association (1963) 2 Q.B. 527 at page 545 †(1979) 1 W.L.R.

A deal that turned sour

THE DISPUTE between blood- Boussac's estate officially went wheels in motion for a bigger stock dealer, Mr. Wayne Murty, into bankruptcy, a French offer by the Aga Khan to be and the Aga Khan over owner-dealer, M. Victor Thomas, who accepted. ship of horses acquired from has acted for the Aga Khan. prietor, M. Marcel Boussac, now, American agent with a view to regrettably, seems set for a obtaining the horses, with a important (or so one would have French court.

Furthermore, there is little was refused. doubt in my mind that not only

RACING

BY DOMINIC WIGAN

may we see an outcome which will leave Murty still feeling aggrieved, but one which will do nothing but harm to the credibility of France's breeding and racing industries.

fate of 56 horses acquired by exactly a year ago. The sale, a gift of three stallions. a comparatively uncomplicated should have been a simple affair. It was not.

\$840,000, and a week before Boussac's creditors, setting the such a proposition.

bankrupt textile pro- in the past approached the profit going to Murty. The offer

> According to Murty, he was warned that he should reconsider the "offer," since the sale could be killed through "friends" in the French Government and Jockey Club, preventing the animals from leaving France.

Murty again declined and, as Thomas had anticipated, the thought) registration papers. found himself American facing that obstacle. Both the French Jockey Club may overdirector of France's Jockey turn its own rules by issuing Club and the head of the National Stud refused to sign unthinkable to many, since the the export licences, claiming certificates have neither been they were acting under orders lost nor destroyed. At stake in the dispute is the from the Ministry of Agricul-Murty, a 42-year-old U.S. blood-stock agent, for \$840,000 almost sented by the Aga Khan with

matter one would have thought, ings and manoeuvres followed. parties, rather than to the with a Paris bankrupety court courts. overturning the Murty purthought likely that the Aga
Two days after paying that chase in the interest of Khan would be likely to accept

ANGLIA

As things stand, the Aga Khan has the animals, but Murty holds tight to their all-

> WINDSOR 7.35—Catechism* 8.05-Shoot The Sun 8.35-Hanovia Gold**

9.05-Viribus***

Now it is suggested that the duplicate certificates-a move

A sensible suggestion, with At approximately that the aim of securing a fair outcome, would be for the pair to go to international arbitration under an independent panel of A whole chapter of proceed- members satisfactory to both However, it is not thought likely that the Aga

SCOTTISH

11.30 A Outstion of Sex. 12.1

SOUTHERN

10.30 am Adam's Tale. 11.20 Send in the Clowns. 11.50 Oscar. 1.20 pm Southern News. 200 Houseparty. 2.25 Monday Matinee: "The Preasso Summer" starring Albert Finney. 4.10 Cartgon. 5.15 Betty Boop. 5.20 Crossroads. 6.00 Day by Day including Southsport. 10.30 Southern News Extre. 10.35 Doctors' Private Lives. 12.10 am Farm Progress.

ULSTER

WESTWARD

am Late Cail.

SCOTISH

10.30 am Adam's Tale. 11.20 Send in the Clowns. 11.50 Oscar. 1.25 pm News and Road and Weather. 2.00 This Year, Next Year 12.55 Monday Matinee: "Pony Soldier" sterning Tyrona Power. 5.15 Popeys. 5.20 Crossroads. 6.00 Scotland Today—Summer Extra. 6.30 Crimedesk. 6.45 The Sound of ... Semprin. 10.30 Colgate World Mixed Golf Championships 11.30 A Question of Sax. 12.15

ALBERY, From 8.30 cm Incl. Suns. 836 3878. CC bookings. 836 1071-3. Ergs. 7.45. Thurs. and Sat. 4.30 and 8.30. A THOUSAND TIMES WELCOME IS LIONEL BARTS "MIRACULOUS MUSICAL." Financial Times. With ROY DOTRICE

ALDWYCH, CC 256 6404, Into 336 5332.
Fofty Air Cond. ROYAL SHAKESPEARE
COMPANY In recortaine Ton't. Tomor.
7.30 Mikhaii Bulgakov's THE WHITE
GUARD. See it: D. Tel. With: John
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July ANTONY AND CLEOPATRA 19516
out until 26 July) RSC also at THE
WAREHOUSE tsee under W).

Daily Mail.

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The dancers vibrate, oscillate, and
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GARRICK, CC. 01-836 4601. Even. 8.0.
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ANTON RODGERS
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and DAVID HEALY IN
A new musical by MONTY NORMAN
and JULIAN MORE

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OLIVIER (open stage): Ton't & Tomor
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A LIFE IN THE THEATRE. Red. Price
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PALACE
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Mon.-Thurs. B.OD. Fri. 6 Set. 6:00, B.40.
by Tim Rice and Andrew Lions Webber. YOUNG VIC. 928 6363. 27. 730-LND peri. Mon. 8 Tue.). Rock- MpCcl. FAUST CINEMAS

CLASSIC 1. 2. 3. Haymarker (Pictagelli Classic 1. 2. 3. Haymarker (Pictagelli Classic Tune). 01-036 1327.

1. R. Tolkien's The LORD OF HIS RINGS (A). In Dolby Starco Pross.

12-20. 3.05. 5.40. 6.20.

2. Lee Marvin Robert Shire AVALANCHE EXPRESS (A). Pross. 2.40.

4.10. 6.25. 8.35.

2. Gregory Peck, Laurous Olivier 138.

EDY'S FROM ERAZIL (X). Pross. 2.20.

4.53. 7.40. school partics.

2: Leo Marvin, Robert Servin
AVALANCHE EXPRESS (A): Progs. 2.00.
4:10, 6.25, 8.35.
2: KENTILCKY FRIED, Microl. (K):
4:20, 2.00, 6.30, 8.45.
3:20, 8.45, 8.10.
3:20, 8.45, 8.10. CLASSIC POLY, Oxford Circus (Upi Resent St.) 837 9863, Jame Poli Varens Redgrave JULIA (A), 446. 8. Shirtey MacJaine, Ashe Banctor TUR ING POINT (An 2.36, 8.40.

LEICESTER SQUARE THEATRE, 930 3252 THE MUPPET MOVIE (U). Sep. prog-Div. 2.00, 5.15, 8.30, Septs bibble in agrance for 8.30, prog Mon-Fri. Last 1 days.

3 44vs.

DEGON, LEICESTER SQUARE, SIG 6111.

MOGNRAKER (A), Sep. peri. Wist doors.

DEGON 9.45; 1.00, 4.20, 7.45, LE Night

Show Toes-Sat. doors. spen. 11.15 pm.

All selts bitble. In advance at Box Office

On by post, extery morning peri.

i: Indicates programme

World, 5.35 Captain Pugwash. 5.40 News.

6.20 Nationwide. 6.55 Ask the Family. R 10 Panorama.

Coop "

11.40 Down to Earth-The End of Skylab. 12.00 Weather/Regional News.

Scotland — 9.50 am Magic Roundabout. 9.55 Jackanory. 10.10 Don and Petc. 10.15 Desert

News and Weather for Northern

BBC 1 (Ultra bigh frequency only).

1.15 pm News. 1.30 Trumpton.

3.35 Yours Songs of Praise Choice with Thora Hird. 4.13 Regional News for England (except London), 4.15 Play School. Couple. 5.05 Blue Peter Flies the

5.55 Nationwide (London and for Wales.

7.20 The Dukes of Hazard.

F.T. CROSSWORD PUZZLE No. 4,016

6.40-7.55 am Open University at the following times: 4.40 Roobarb, 4.45 The Oddball

South-East only).

All Regions as BBC1 except Adventure. 10.35-10.55 Take Hart. 5.55-6.20 pm Reporting Scotland. 11.40 News and News and

Weather for Scotland. Wales—1.30-1.45 pm Pill Pala. 5.55-6.20 Wales Today. 6.53-7.20 Heddiw. 11.40 News and Weather

Northern Ireland - 4.13-4.15 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 11.40 Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); East (Norwich): Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol): South Today (Southampton); Spotlight South West (Plymouth).

10.30 am Adam s Tale, 11.20 Send in the Clowns, 11.50 Oscar 1.25 pm Angla News. 2.00 Houseperty. 2.25 monday Film Matines: The Damned Don't Cry " starring Joen Crawford. 6.00 About Anglis. 10.30 Speedway. 11.00 Feeture Film: "Safari" starring Janet Leigh and Victor Mature. 12.40 am Reflections. 9.25 The Monday Film: "J. W. starring Cliff Robertson.
11.15 The Devil's Music.

BBC 2

6.40-7.55 am Open University. 11.00 Play School (as BBC1

6.40-7.55 am Open University.
11.00 Play School (as BBC1
4.15 pm).
4.50 pm Open University.
6.55 Pick of the Philipott File.
7.45 Mid-Evening News including sub-titles.

10.30 am Dick Tracy. 10.35 Sesame Street 11.35 Ghoat Bustors. 1.20 pm ATV Newsdesk. 2.00 Movie Matines:

"A Night to Remember" starring tracking the Newsdesk. 2.00 Movie Matines.

"A Night to Remember" starring tracking the Newsdesk. 2.00 Movie Matines.

"A Night to Remember" starring tracking the Newsdesk. 2.00 Movie Matines.

"A Night to Remember" starring tracking tracking the Newsdesk. 2.00 Movie Matines.

"A Night to Remember" starring tracking ing sub-titles. 7.55 For Valour.

8.10 The Waltons. 9.00 Sing Country. 9 40 Inside Story. 10.25 Verse. Worse and Baby

Grand. 10.25 Return Call to Brass 11.05 Late News. 11,20 Heute Direkt.

11.45 Closedown reading. LONDON

9.30 am Beyond the Moon. 10.00 The Open Air. 10.30 Cartoon Time. 10.40 Night Call. 11.10 To The Wild Country. 12.00 Jamie and the Magic Torch. 12.10 pm Rainbow. 12.30 Emmerdale Farm. 1.00 News plus FT Index. 1.20 Thames News. 1.30 All About Toddlers. †2.00 Monday Matinec: "Action in the North Atlantic" starring Humphrey Bogart. 4.20 Clamperboard. 4.45 Why Can't I Go Home? 5.15 World Modern Rhythmic Gym-

nastics Championships. 5.45 News. 6.00 Thames At 6. 6.35 Crossroads. 7.30 Coronation Street.

8.30 World in Action. 9.00 Spearhead. 10.00 News. 10.30 Monday Star Movie: "The Love Machine." 12.25 am Close: George Robert-

son reads from works in the Buddhist Tradition. All IBA Regions as London except at the following times:

CHANNEL 1.20 pm Channel Linchtime News and What's On Where 2.00 Inside Business. 2.30 Bygones. 3.00 The Mondey Maunes: "Langan's Rabbi." 5.15 Cabbages and Kings 6.00 Channel News. 5.10 The Beverly Hillbillies 10.28 Channel Late News 10.35 Sounds of Summer. †11.05 Feature Film: "Who Killed the Cat." 12.25 am News and Weather in French Iollowed by Channel Gazette.

BORDER

BUNDER

10.30 am Adam's Tale. 11.20 Send in the Clowns. 11.50 Oscar. 1.20 pm Border News. 2.00 Houseparty. 2.25 Matines: "Miracle in the Rain "5.15 Cabbages and Kings. 6.00 Lookaround Monday. 6.20 The Sound of ... Semprini. 10.30 A Question of Sex. 12.15 am Border News Summary.

GRANADA S.30 am Beyond the Moon. 10.00
The Open Air. 10.30 Sesame Street.
11.25 Valley of the Dinosaurs. 11.45
A Handful of Sonys. 1.20 pm Carloon.
2.00 Monday Matinee. Anticony Quinn
in "Barabbas". 5.10 The Underses
Adventures of Captain Nemo. 5.15
Crossroads 5.00 Granada Reports.
6.30 Get Some In 1 10.30 The Monday
Thriffer: "The Visit"

10.30 am Adam's Tale 11:20 Send in the Clowns 11:50 Oscar 1:20 pm Report West Headlines, 1:25 Report Vieles Headlines, 2:00 Survival, 2:30 The Monday Matinec: Don't Drink the Vistor." 5.15 The Undersee Adventures of Captain Nemo, 5:20 Crossroads, 6:00 Report West 6:22 Report Wales, 10:35 Cinema Club: "A Pain in the A** "HTV Conema Club: "A Pain in the A** "HTV Conema Club: "A Pain in the A** "HTV General Service except: 1:20-1:25 pm Penawdau Newyddion y Oydd, 2:01-230 Hemdden, 6:00-6:22 y Dydd, 8:30-9:00 Yr Wythnos.

HTV West—As HTV General Service except: 1:20-1:30 pm Report West Headlines. 6:22-7:00 Report West.

WESTWARD

10.25 am Adam's Tale. 11.20 Send in the Clowns. 11.45 Oscar. 12.27 pm Gus Honeybun's Brithdays. 1.20 Wastword News Headlines. 2.00 Inside Business. 2.30 Bygones. 3.00 The Monday Matines: "Lanigan's Rabbu." 5.15 Cabbages and Kinga. 6.00 Wastword Distry and Sports Desk. 10.32 Westward Late News. 10.36 Sounds of Summer. 111.05 Feature Film: "Who Killed the Cat." 12.25 am Faith for Life. 12.30 West Country Westlior and Shipping Forecest. YORKSHIRE

YORKSHIRE

10.30 am The Herbs. 10.45 The
Maharajahs. 11.35 The Roman Holidays.
1.20 pm Colender News. 2.00 Monday
Matinee: "Cheyenna Autumn" sterring Richard Widmark, Carroll Baker.
Karl Malden and Edward G. Robunson.
6.00 Calendar (Emley Moor and Belmont eds.). 10.30 The Calendar Ouestion. 11.00 Barney Miller. 11.30 A
Question of Sex.

12.00 News. 12.02 pm You and Yours.
12.07 Brain of Britain 1973 (s). 12.55
Weather; programme news. 1.00 The
World at One. 1.40 The Archers. 1.55
Shipping forecast. 2.00 News. 2.02
Woman's Hour. 3.00 News. 3.06
Attember Theatre. 4.35 Story Time.
5.00 PM: News magazine. 5.50 Shipping forecast. 5.55 Weather; programme news. 5.00 News. 6.30 I Like
iSpike (s). 7.00 News. 6.30 I Like
iSpike (s). 7.00 News. 7.05 The
Archere. 7.20 From Our Own Correapondent. 7.45 The Monday Play (s).
9.15 Many Heppy Returns. 9.30 Kaleidoscape. 9.59 Weether. 10.00 The World
Tonight. 10.30 Conversation Piece with
Beryl Gray. 11.0 A Book at Bedtime.
11.15 The Financial World Toright.
11.30 Today in Pathament. 12.00 News.
RRC: Radio London BBC Radio London 5.00 am Morning Music. 6.00 The AM Hour. 9.03 London Live. 12.03 pm Call In. 2.03 206 Showcose. 4.03 Home Run. 6.10 Look. Stop. Listen. 7.30 Black Londoners. 8.30 Brakthrough. 10.03 Late Night London. 12.00 As Radio 2. 72.06 am Questron Time from the House of Commons. 1.06-5.00 Join Radio 2.

London Broadcasting 5.00 am Morning Music. 6.00 The AM Show. 10.00 Brian Hayes. 1,00-8.00 pm IBC Reports with George Gale at 3.00. 8.00 After Eight. 9.00 Nightline. 1.00 am

Capital Radio Capital Kadlo
6.00 sm Graham Dane's Broakfast
Show (s.) 9.00 Michael Aspel (s.)
12.00 Dave Cash (s.) 3.00 pm Roger
Scott (s.) 7.00 Candon Today (s.)
7.30 Open Line (s.) 9.00 Nicky
Horne's Your Mother Wouldn't Like
It (s.) 11.00 Tony Mystr's Lete Show
(s.) 2.00 sm Peter Young's Night
Flight (s.)

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COLISEUM. Credit cards 240 5258.
Reservations 836 3161. Last Marie.
Evis. 7.30. The overline is & Marvet.
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Traviata Booking is now open.

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rusticana Pagliacci. Tomor & Fr. 7.30.
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THE ROYAL SALTET SCHOOL.
Wed. 7.30 Folk, Irish & Scottish Dancing,
Sinfonietta, Concerto Barocco. Checkmaw.
ES Amphi seats avail for all perfs Trini10 am on dev of perf.

LYNDEGOURNE 0273 812411-813424. 10 am on day of perf.

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By. Wed & Thurs: Echol. Changes. Might
with Waning Moon. The Parades Gone By. WESTMINSTER. CC. S. 83A 0283.
Evgs. 7.45. Mars. Wed. and Sat. 3.00.
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DINSOALE LANDEN. GWEN WATFORD.

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IN

BY JAMES SAUNDERS

"THE IMPACT HIT ME LIKE A
THUNDERBOLT FROM JOVE. THE
LANGUAGE BLAZES WITH WIT. AND
INTELLIGENCE AND ITS THEME
ELOCITIES." DAILY MELL.

"WHEN WE HAVE LAUGHED AT ITS
WIT. BEEN HELD IN THE GRIP OF ITS
DRAMA AND REVELLED IN THE
COLDURS AND LAYERS OF ITS LANGUAGE BODIES STILL RAISES ECHO
AFTER ECHO IN OUR MINOS AND
HEARTS. DINSDALE LANDEN'S PERFORMANCE IS WORTH GOING MILES
TO SEE." REPORT LEVIL.

"MR. LANDEN BY DEST WHAT I INSIST
IS THE JEST PERFORMANCE IN A
MODERN PLY NOW TO BE SEEN IN
AMODERN PLY NOW TO BE SEEN IN
CHRISTOPHER
LAVENDER
JULIA FOSTER IN
HARPY BIRTUDAY
A VERY FUNNY NEW COMEDY BY
THE AUTHOR. OF "SOEING BOEING"
"FEYDEAU LIVES CA VAI Gdm. "IT
WILL PROBABLY RUN AND RUN."
DAILY THE TURBADOUS
ARTS THEATRE.

OL-336 2132.

ARTS THEATRE.

OL-336 2132. 12.10 am Farm Progress.

TYNE TEES

9.25 am The Good Word Iollowed by North East News Headlines. 10.30 Adam's Tale. 11.20 Send in the Clowns. 11.95 Oscar. 1.20 pm North East News and Lookaround. 2.00 Monday Matines: "Khartoum" starting Charlton Heaton and Laurenco Olivier. 6.00 Northem Life. 10.30 Cash and Company. 11.30 A Question of Sox followed by North East News Headlines. 12.15 am Epilogue.

ULSTEK

10.30 am Adam's Tale. 11.20 Send in the Clowns. 11.45 Oscar. 1.20 pm Lunchtime. 2.00 Monday Matines: "Cheyenne Autumn." 4.18 Ulster News. Headdines: 8.15 Cartoon Time. 5.20 Crossroeds. 6.00 Ulster Telovision News. 6.15 Family Matters. 8.30 The Mary Tyler Moore Show. 10.30 Monday Movie: "McMillan and Wifb." 12.00 Bedume.

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TO SEE IT. IT STHIS THE REART ANDS.

ELSE IN. LONDON. Guardian. 2

WHOSE LIFE IS IT ANYWAY?

IS A BLAZING LIGHT IN THIS SEASON. W.Y. TIMES.

WHOSE LIFE IS IT ANYWAY?

IS A BLAZING LIGHT IN THIS SEASON. W.Y. TIMES.

WHOSE LIFE IS IT ANYWAY?

IN ANY RARELY FELT SO GRIPPED MY ATTENTION HAS NEVER.

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DOWN 1 Gaiety has a legal term 1 Obeisance causes surprise to about it (8) the sorcerer (6) 5 It is read and used by the beginnings in the old palace medical profession (6) 9 A doctor frees the police (8) 16 Presumably, a cold place of employment (6) 11 What Adam was by profession, according to the clown in Hamlet (8)

12 An obstruction in the river we have to diminate (6)

14 A clever man takes issue

fiancée (8)

Learning about ultra-violet

Open (S) Agree with the Irish police

Right change of heart expressing schoolboy approval - ear and the seeing eye

the Lord hath made even both of them " (O.T.) (3, 7) 6 Alfred fakes the score in the

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27 Cockney tip finished his with names of winners next RADIO 3 Saturday.

RADIO 1 5.00 am As Radio 2. 6.00 Dave Lee
Trovis. 9.00 Simon Bates. 11.31 Peter
Powell. 2.00 pm Tony Blackburn. 4.31
Kid Jensen. 7.00 Stayun Alves. 8.00
Andy Peebles. 9.50 Newsbest 70.00
John Peel (s). 12.00-5.00 am As Radio 2. RADIO 2

Open (8)

14 A clever man takes issue with the pet scheme (5, 5)

18 Lament after a day at the races might leave Nero in want (3, 1, 6)

22 Make a slip and get a commission (6)

23 Ugly, maybe, but always right (8)

24 Experts take it for good health (6)

25 Pub has no money for the simpleton (8)

26 Slackens an exhortation to depart (4, 2)

27 Cockney tip finished his with names of winners next

Open (8)

7 Agree with the Irish police—that's fantastic (8)

8 In that place one needs a day to change cash (3, 5)

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Overture Part 1 (s). 8.00 News. 8.05
Overture Part 2 (s). 8.00 News. 8.05
This Week's Composer: Scriebin (s).
10.00 Talking About Music (s). 10.30
Recorder and Herpsichord recital (s).
11.30 BBC Scottiah Symphony Orchestra.
1.00 pm News. 1.05 BBC Lunchtume
Concert (s). 2.05 Music for Organ (s).
2.45 Malinae Musicale (s). 2.45 New
Records (s). 5.25 Homeward Bound
(s). 15.45 News. 15.50 Homeward
Bound. 26.15 At Home. 7.10 Pied Piper
with David Munrow (s). 7.30 Stomp
it On Dowm. 8.00 Boaton Symphony
Orchestra (s). 9.15 Drummer Hodge
(s). 10.10 Respiphi (s). 11.00 The
Living Poet (Christopher Middleton.
11.25 Jazz in Britain—The Alan Wakemen Octet (s). 11.55-12.00 News.
VHF only—5.00-7.00 am and 5.457.10 pm Open University.

BBC Radio London: 1458kHz, 206m & 94.9vhf

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RADIO 4 Sports Desk. 7.33 Alan Dali including 7.33 The Dance Sound (s). 9.02 Alan Dali including 8.00 am News Briefing. 8.10 Farming Week. 6.25 Shipping forecast. 6.30 Today including 6.45 Prayer for the Day, 7.00, 8.00 Today's News. 10.22 Pros and Cons. 10.30 Ster Sound. 11.02 Brain Matthew with Round Midnight including. 12.00 News. 2.02-5.00 And the Might and the Music with Patrick Lunt (s). 12.00 News. 2.02-5.00 Achives. 9.00 News. 9.05 Start the Week with Richard Baler. 10.00 News. 10.05 Wildlife. 10.30 Daily Service. 10.45 Morning Story. 11.00 The Great Tax Battle. 11.45 Listen With Mother.

THE ARTS

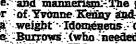
Covent Garden

domeneo by MAX LOPPERT

idomeneo, the most recent of the Mozart operas to enter the Covent Garden repertory, was revived on Friday evening. The performance was one of the bleakest of a generally hapless season. The dramatic pulse was flacted. The contribution of the chorus was perfunctory. A number of staging effects went notably wrong. All of which suggests that the Götz Friedrich production may have been less than wholeheartedly presented under Michael Remisson's appear vision but why did the Prince pal Produce of the Rouse not revive the opera himself?—and that for the company it is not exactly a labour of love.

On the other hand, I (who did not see the production last, year, when it was first shown) find it hard to believe that, even given with the degree of disci-pline and involvement unknown to Friday's performance, it could be anything other than a mon-strous perversion of Mozart's opera seria. Encountering it the evening after Peter. Hall's Glyndebourne production of Cost fan mitte, which operates from the text outwards and from an unfailingly acute sense of musical and dramatic style. made for a brutal juxtaposition. Tastes differ over the sets and costumes of Stefanos Lazaridis, for me, their ugliness is unrelieved. By comparison, the Royal Opera's much-derided Trojuns and Aida, both equally replete with Levantine brick brac, stand as models of dramatic concinnity. The difference is that both those stagings. are in essence 19th century productions of 19th century operas. Friedrich's Idomeneo, stripped of its pretentiousness, is in essence a 19th-century produc-

instinctive man of the theatre, prompter) are repeated from and was conducting the produc- last season; a new element, and tion rather than the opera. The almost the only consistently tion of an 18th century uppera. uncertainty of style spread to gratifying feature of the percolin Davis's conducting is as Janet Baker, whose Idamanaffectionately detailed but slack tes moves between eloquence vaughan — glittering, aptly
sailed, mostly devoid of the and mannerism. The pullid lia dramatic without vocal exagclassical fire and purity for of Yvonne Kenny and the lightgeration (despite having to play
which his reading of the opera weight Idoméneus of Stuart a gesticulating vamp-sorceress),
won its renown. A charitable Burrows (who needed the frebeautifully sensuous in "Idol



view could be that he is an quent audible assistance of the mio." **Purcell Room**

Lysis by andrew clements

Lysis is a small group of crudely constructed and con- as well as the Rite of Spring) young musicians specialising in gested with incident. Michael and jagged motoric writing contemporary music. Personnel Finnissy's Bu Tchou is a minor. Elsewhere the group proviare tailored to suit the pro- work in his prolific output, a ded sturdy acceptable performgrammes, but the constants are neaf little study in ritual pat ances, witty in Hindemith's the bassist and planist. Roger terms for solo percussionist packy Three Pieces, confident Dean; the percussionist Ashley mostly fingertip patterings in Kenak's's Morsima-Amorsima. Brown, and the violinist Hard interrupted by the occasional Colin Lawson's version of Stock-Smith. Their reperiolite is hard-struck confidents and long hausen's Amory five places for imaginative and enterprising, echoeing silence. Lyell Cress clarinet, was radically less with a particular emphasis on well's Wasta Tangi makes a extrovert than any other I have with a particular emphasis on well's Would Tangi makes a extrovert than any other I have realising the graphic scores and fairly extended piece out of a heard; but Ives's Violin Sonata improvisational pieces in those handful of pitches in long over- No. 2, played by his Smith and of the "serious" avant garde. It's music to which they respond with great vitality, and with care and discrimination they More substance, however, in scope and more attention to could carve out for themselves John Wallace's Variation for balance. A programme devoted a valuable niche among modernmusic ensembles.

At the moment, their very enthusiasm leads them astray in their programme building evening's Purcell Saturday Room recital used eight mem-bers of Lysis in works by Hindemith, Ives, Stockhausen, and Xenakis, and four new piece as well as cramming in two group improvisations. Even using the short improvisations as a digestif, it was difficult not to be suffering from aural indi-gestion by the end of the

concert. works, more chance

Their reperioire is hard-struck outburst and long, up inexpected donal references. Perhaps future Lysis concerts in a macabre, brooding atmo- will show less concern with dis-

bass clarinet, trumpet, violin, to improvisation, for instance, all the interest of the crosssion. It begins and ends well, the two examples included here falls away in its central section, were too brief to show how well vet creates the sense of a quite the group could work together full of surprising Stravinskian schoes (to his neo-classicism

double bass, piano and percus- would be bold and fascinatingpositive musical personality, and whether any elaborate

playing the full range of its

hausen's Amour, five pieces for

structural plans cou explored and sustained. could be

Festival Hall

Berlioz by andrew clements

relax, and perhaps the un Royal Philharmonic Orchestra tostique preceded by the Over- life; even Dorati's architectonic orchestration. A leaden accomfamiliar pieces might have was the fifth of what it calls its ture Les Franc-Juges.

But evidently he cares about created a stronger impression. Dorati Series is each devoted to a single the composer. All the interpretative was more surprising that this Music for Contrabass and composer, a celebration designed tions were sober and steadfastly approach carried over into the Piano, a mixture of graphic for the orchestra's new Conservous, apparently intent on and exact notation, came across, ductor Laureate. Berlioz is not, welding the most wayward strucpersuaded to produce a peras no more than a catalogue however, a composer I had preof the sound resources of the viously associated with Antal

contemporary double bass, with Dorati and indeed the propense of incidental excitement.

Dean (accompanied by Erik gramme did not suggest a In the overture the RPO strings line at times little more than a Levi) as a virtuoso guide often Berlioz specialist; Les Nuits could not float the cantabile connecting thread for the

Thursday's concert by the dEie and the Symphonic Fon- lines enough to quicken it into myriad felicities of Berlioz's tures into some sort of organic formance of astonishing reticompleteness, even at the ex- cence (and not a few un-French-

scriptions work:

paniment with surely too large an orchestra-does this work really need eight cellos and six basses?-made the total effect only ponderous.

All could have been forgiven of course, had this approach contrived to produce a cogent, convincing view of the Symphonie. But it did not.

out to be the year of the "never

two first-class clubs who have

yet to win a major honour,

Essex and Somerset and it is

likely both will break their duck

Although 'it is far too early

for their supporters to cele-

this summer.

There are now only

decision not to admit more than IT IS becoming increasingly 30,000 spectators at any time, probable that 1979 will turn

CRICKET BY TREVOR BAILEY

Antony and

Cleopatra

by B. A. YOUNG

Royal Shakespeare productions commonly seem better when they come from Stratford to the Aldwych, having played them-selves in for a season. It is, I suppose, a tribute to Peter Brook's thorough direction that Antony and Cleopatra seems almost unchanged.

Aldwych

It is still long, slow, colour-less, eccentrically cast and touched here and there with moments of genius. If the four qualities I have ascribed to it suggest that it is dull, then I have been misleading. Certainly I found the last half-hour of a three-and-a-quarter-hour evening in need of a shot of adrenalin; with no visible monument for the eponymous couple to end their days in, they seem to take an unconscionable time a-dying, and Glenda Jackson, whose Cleopatra is at any rate lively in the earlier part of the evening, seems less at home with the prospect of death. "O, withered is the garland of the war" is breathless and chopped up.

Whether Mr. Brook, the designer Sally Jacobs, or Miss Jackson herself is responsible for her curious appearance I

Rome, and Pompey's ship are contained within a frosted glass cupola through which characters can be seen preparing to make their entrances. The play is thus reduced into a protracted quarrel between a man and a woman. Miss Jackson fills the bill admirably as the woman. Alan Howard, who more than I ever recollect, imposes intonations on the verse that go plainly contrary to the sense, will please his admirers.

But for acting truly worthy of a company dedicated to Shakespeare you must look further down the cast-list. Patrick Stewart, bald and grizzled, looking like the White King in Alice, speaks Enobarbus's lines to perfection, besides projecting the personality of a real veteran soldier. Jonathan Pryce, swirling his white toga around, looks and sounds splendid as Octavius. David Suchet's gangster Pompey is fine. On the distaff side, there is a sympathetic Charmian from Paola Dionisotti.

Mr. Brook, in the austere mood that has overtaken him in recent times, does not seem to care much any longer for the poetry of Shakespeare's don't know. She wears no kind lines. So many of the small of finery until her death, and parts are ratified off with what har hair is cut so short as to seems a deliberately casual give her at some angles the sound, so that the last words look of a performing seal. But of phrases often disappear into it is part of the principle on the zir. This will do well which the production seems to enough for The Ik. It ought be founded to avoid any sugnot to be encouraged in gestion of visual illusion. Egypt, Shakespeare.

Elizabeth Hall

Gustav Leonhardt

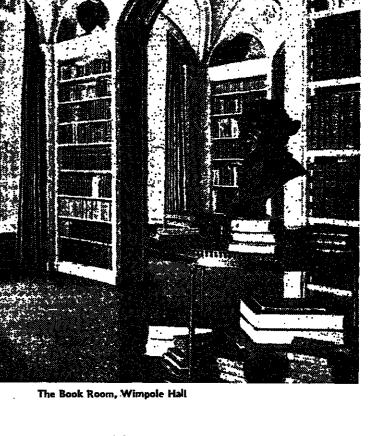
by NICHOLAS KENYON

Even great musicians some- needs keyboard works adding times do unmusical things. It to his output, is difficult to feel that Gustav the evidence of the Leonhardt's transcription for superbly tense and concen-trated first half of the recital, harpsichord of Bach's sixth suite for solo cello is anything Leonhardt could have given us but a sudden aberration by a a majesterial Partita or a group great Bach performer. There are, of course, precedents for from the "48." He played six Scarlatti sonatas without any such transcriptions by Bach himself, and Leonhardt has preof the facile brilliance one so often hears - every phrase viously made some from the was moulded, and the D minor solo violin works, but this latest sounded extraordinarily pointsonata K.52 acquired weight and nobility. Rhythms were less. His version was, rightly, clear and unhutried: no mere rearranging of the notes. There were added accumulated tension of K.192 counterpoints, and an attempt and 193 was both unusual and startling. had been made to imitate a grey, underdefined areas that lapping lines for riolin double Dean, seemed out of place in keyboard texture. Yet, the Leonhardt does not perhaps separate lazz from the fringes hass and trumpet, conjuring the context of this programme. result was quite un-Bachian: it have the easy grace needed lay at least a minor third too high in the treble register; its pieces by Jacques Duphly someharmonies were baldly obvious

Leonhardt does not perhaps for French music: a group of times sounded a little stiff. (whereas they are only hinted though the langorous anticiat in the cello original), and pations of "Les Graces" and the burbling basses of "La De string articulation of the Vaucanson" both made a fine These exceptionally original was lost. Some traneffect. interesting pieces, showing the Leonhardt played another Sarabande as late French baroque evolving tewards the early classical style, an encore, which sat perfectly, deserve a far more frequent expressively on the keyboard; but, really, it is not as if Bach hearing.

wonders of Wimpole.

day. He commissioned Henry in 1943 Mrs. Bambridge carried Flitcroft to reface the central block and make certain interior furnishing the house entirely rearrangements including a long alone. She was fond of telling gallery in the west wing. It was the story of her father's first the third Earl of Hardwicke who reaction to her purchase of the employed Sir John Soane in the 'great house. Kipling walked up 1970s to create Wimpole's most remarkable rooms. Soane's hall in complete silence, then architecture is still underrated he turned to his daughter and in England and these rooms give said, "Bird, I hope you have a splendid opportunity to see how much more generous in spirit and in its sources of



Architecture

Wimpole Hall by COLIN AMERY

Queen Mother opens Wimpole Hall, Cambridgeshire, the fourth great National Trust house to be inaugurated this year. From July 15 the public will be able to see for the first time a house English country house. Project-and park that is a microcosm of ing bookcases on each side of century house architecture and

landscape design. It was the last owner of Wimpole, Mrs. Elsie Bambridge, the only surviving child of Rudyard Kipling, who bequeathed the house and nearly 3,000 acres of land to the National Trust. She also left the majority of Kipling's manuscripts and copy-Kipling's manuscripts and copy-rights to the National Trust to fill a rather awkward space with a generous endowment that and Soane's solution makes has made it possible for the structure of the house to be repaired and a programme of basilican room, close in plan to gradual restoration to be started.

Wimpole is the largest house in Cambridgeshire and by far Wimpole was added to by the It was Harley, the great friend of Pope, who employed the architect James Gibbs to extend the house and build the great library and chapel. The chapel was decorated by Sir James Thornhill as a masterly frompe l'ocil version of a Baroque interior. It is one of the

After Harley's extravagant reign at Wimpole the house was park and the restoration of the sold in 1740 to Philip Yorke, entire place must have seemed first Earl of Hardwicke and a a daunting prospect. Despite leading Lord Chancellor of his the early death of her husband

Today Queen Elizabeth the reference Soane's work is when able and today the task of compared to European Neo-Classicism. Soane's book room is one of

the most ingeniously designed

libraries to be found in an the history of English 18th- the room support grand eliptical arches decorated with fine plaster roundels. Black basalt Wedgwood urns and good Regency furniture complete the decoration of this strange and wonderfui room. However, Soane's grandest achievement at Wimpole is the reception room known as the yellow drawing

the picture gallery that Soane had recently completed for William Beckford at Fonthill. the most significant in terms of Lit principally from the top of Chicheley, the friend of archi- England. At Wimpole Soane drinkers can be moved out of tects Wren Pratt and May, also designed a splendid sunken the sequence of great rooms. bath that is large enough for Duke of Newcastle between 1693 12 people to stand in. Even a and 1710, and by Edward glimpse of it today in its rather Harley, the second Earl of delapidated state makes one Oxford, between 1713 and 1721. ponder upon the nature of the entertainments offered Wimpole in the carly 19thcentury.

When Captain and Mrs. Bambridge bought the house in 1939 it was in very poor shape and even larger than it is now. From 1939 to 1945 the house was requisitioned and full of troops, a large American military hospital stood in the on the task of restoring and to the front door and into the not bitten off more than you can chew."

His fears were understand-

repairing and maintaining the house is a heavy burden for the National Trust. To date the Trust has spent £340,000 on the house and this is largely to ensure that the structure is sound. Every effort is being made to retain the atmosphere created by Mrs. Bambridge, which is a stronge combination of centrally-heated decorative luxury and careful reconstruction of an 18th century house. The Trust has resisted the. temptation to redecorate a great deal and this is to be commended.

In some National Trust houses the hand of the 20th century decorator is only too evident. At Wimpole the decision to use the great dining room with its early Victorian plasterwork as a tea room is a stave error of judgment. There is a ghastly sense of anti-climax as you pass from the saloon and the number of famous architects the dome the room has many of breakfast room into a room fulland designers who have worked the qualities that must have of canteen furniture. Perhaps. there. The earliest house was been present in the great spaces when H. E. Kendall's stable 🥞 built about 1640 by Sir Thomas of the now demolished Bank of block is repaired the tea.

A visit to Wimpole provides, opart from the joys of the house, a panorama of English landscape design from 1690 to Charles Bridgeman. " Capability " Brown Humphry Repton all changed the original 17th century layout. Today the two-mile-long elm avenue has been wiped out by Dutch elm disease but it is being replanted with limes and oaks. A Chinese bridge, castle ruin and large lakes are the main landscape features that remain but all of them are in need of repair. Many of the estate buildings have now been proved to be the work of Sir John Soane.

Wimpole stands as a great tribute to the spirit of Kipling's daughter but it is the spectacular rooms by Soane that provide the visitor with a real frisson of architectural excitement.

Wimpole Hall will be open to the public from July 15 to October 14 every day except Mondays and Fridays from 2-6 p.m. The house is signposted off A603 eight miles south-west of Cambridge.

WIMBLEDON BY JOHN BARRETT

Historic-but not a vintage year

re where the second decision not to admit more than generally be remembered as a rare enough this was only the title, at the age of 22, revealed 30,000 specialors at any time, vintage year there were two eighth in the 34 championships a new maturity that will keep overall attendance, 343,044, IF WIMBLEDON 79 will not historic achievements—one from held since 1946. Finals that Sweden's 23-year-old. Bjorn sustain the suspense over the for as long as she cares to 5,453.

Borg, and the other from the entire span are rarer still. All reign. Grand Old Lady of American who saw it will be grateful to Tennis, 35-year-old Billie Jean have been there. King — that will be discussed game is played-

Borg's feat in winning a fourth successive singles title was not only unique in modern times (never achieved since the challenge round was abolished in 1922), but also had an epic quality about it that made his dramatic I have ever seen The see-saw nature of his

6-7, 6-1, 3-6, 6-3, 6-4 victory that spanned 2 hours and 49 minutes of breathless suspense roused the emotions round the packed Centre Court The pagging uncertainty about Borg's ability to contain the fierce serving and driving of the American was the quality which provided the suspense. When, finally, after being thwarted on hands clasped in attitude of 5-7.6-3 6-2 over Betty 35 sec for the 1m 550 yds course

Only three out of the 13

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Only three out of the 13

hands clasped in attitude of 5

herces.

Five-set finals themselves are

and cherished as long as the few blemishes, mainly of a lack in flexibility, that remain in his much improved game, he could soon win Wimbledon.

Mrs. King's capture at last of that chisive 20th Wimbledon title, will surely remain forever unbeaten. With world standards rising so fast I cannot imagine brave American left handers a player of either sex ever Roscoe Tanner, one of the most achieving as much again. The death of Elizabeth Ryan, who was visiting Wimbledon on the eve of Mrs. King's achievement would have been an exaggeration if any novelist had devised such a plot. But somehow Wimbledon produces situations like this-both Suzanne Lenglen and Maureen Connolly died during the championships, the first in

1938, and second in 1969. Mrs. King has been - and indeed is - a great champion three match-points, he won his though the quality of her victory fourth and sank to his knees, with Martina Navratilova by

Miss Navratilova's second her at the top of the world game exceeded the 1975 record by

Historians will have noted the first Wimbledon title for umpire has the power to over-If Tanner can eliminate the John McEnroe. The 20 year-old rule linesmen, American left-hander won the from the outset is essential. men's doubles on Friday with Otherwise unscrupulous players his regular partner, Peter

Wimbledon's popularity con- utilise the penalty-point pro-

tinues to grow. Despite the vision.

HENLEY BY MICHAEL DONNE

British crew's grand win over Yale

men and London Rowing Club, ahead. yesterday demolished Yale University to win the Grand Chalened, until at the finish they lenge Cup. Britain's most were ahead by 21 lengths. Yale coveted rowing trophy, at Henley Royal Regatta.

prevented any records, the British crew's time of 6 min College, Cambridge. cheered num with an independent value over 2,000 metres, led briefly victory in the ladies, a power-usually reserved for native was an underliably nervous over 2,000 metres, led briefly victory in the ladies, a power-usually reserved for native was an underliably nervous over 2,000 metres, led briefly victory in the ladies, a power-usually reserved for native was an underliably nervous over 2,000 metres, led briefly victory in the ladies, a power-usually reserved for native was an underliably nervous over 2,000 metres, led briefly victory in the ladies, a power-usually reserved for native was an underliably nervous over 2,000 metres, led briefly victory in the ladies, a power-usually reserved for native was an underliably nervous over 2,000 metres, led briefly victory in the ladies, a power-usually reserved for native was an underliably nervous over 2,000 metres, led briefly victory in the ladies, and the ladies of the ladies after the start, but the well- ful heavyweight crew from 37 sec.

THE BRITISH national crew, drilled British crew soon slip- Ridley College, Canada, beat rowing under the combined ped into top gear and by the their old rivals, Eton, in the colours of the Thames Trades- end of Temple Island they were Princess Elizabeth Challenge colours of the Thames Trades end of Temple Island they were

The standard of officiating

firm control

needs to be better. Now the

will exploit the situation. Also,

umpires must not be afraid to

The gap progressively widhad some consolation, however, in that their second crew con-Although a stiff cross-wind vincingly won the Ladies Challenge Plate, beating Dowing

Cup for schools by 21 lengths in 6 min 59 sec. ·

Ridley have now won this event five times in 11 years, which must be something of a Henley record.

The third trophy to go overseas was the Prince Philip Challenge Cup for four-oared boats, which was won by the Garda . Slochana police crew, who beat University of London by a length in 7 min

the 17 counties and achieve this opposition and even in first-class powerful, attacking opener and unofficial distinction by "doing matches the first innings is the double. The really big surprise is that

neither club has succeeded in carrying off a title before, now that there are four (surely one too many?) honours to be shared out among the 17 contestants. In the past it was an alto-

brate, they could well afford gether different story, as only to put some champagne on ice. the County Championship was addition, one of them could at stake and there were usually become the best team among a few great teams around like Surrey in the 1950s with four genuine international bowlers in an era of sporting pitches, or the Yorkshire of the 1930s.

Today, the difference in the ability of the various clubs is far less, which is largely the result of bringing in cricketing mercenaries from abroad.

It is not mere coincidence, or lack of talent that has stopped Yorkshire winning anything for eight years, but there must also be some doubts as to whether it really has been a levelling up. If one examines what some

of the counties have been masquerading as attacks this summer, it is necessary to go back to the 1940s to find quite final on Saturday week, though so many insipid bowling lineups. One reason is, of course, can afford to leave him out in that in limited-overs cricket it a match of that importance. is not essential to bowl out the

artificially controlled. Essex and Somerset have

Two counties can break their duck

been close to success in recent years. Essex were literally within a decimal point of winning the John Player League, while Somerset, having defeated Essex in a marvellously close Gillette şemi-final last year. were robbed of the John Player League by just losing to Essex in the last match.

The main reason why these two sides are doing so well is that they possess that vital balance, a batting line-up with class and depth, a varied attack, matches. team spirit, and a few players several good ones fighting for

places. · This last asset was illustrated on Saturday when Essex made

338 for five, which included an opening partnership between Graham Gooch and alike Denness of 170 on a far from docile pitch. It is interesting that Denness,

and most attractive century against Sussex at the weekend is not certain of a place in the it is difficult to see how one Gooch has developed into a season. I think they will.

is in the process of establishing himself as an England regular, McEwan is a destructive stroke maker who would be playing automatically in Tests, if he had not been a South African. Lever is comfortably the leading wicket taker, Philip is a , typical Caribbean product lively bowler and hard-hitting batsman—and there are two above average "bits and pieces"

cricketers, Turner and Pont. Keith Fletcher remains one of the best batsmen around with figures to substantiate the claim in domestic and international

These are some of the men of exceptional ability plus mainly responsible for Essex having established such a commanding lead in the Schweppes Championship that they will a take some catching, while they must also fancy their chances in the Benson and Hedges final against Surrey.

Somerset are pressing hard in :: the John Player League, chasing Essex in the County Championwho elegantly stroked a fast, ship and have serious designs on the Gillette Cup.

Their disqualification because of their controversial declaration against Worcester has probably acted as a spur and made them even more determined to win something this

Bracken house, cannon street, london bcap 4by Telegrams: Finantimo, London PS4. Telex: 386341/2, 883897 Telephone: 01-248 8000

Monday July 9 1979

MPs deserve more

HE MOTIONS to be debated the House of Commons on ednesday on MPs' and Minierial pay show that the Governonal allowance for inflation hen the later phases of the icrease go into effect, so that y June, 1981, when the proess' is complete. MPs should c earning rather more than 12,000 a year recommended by ae Review Body. By that time, no, an agreement should have cen reached which would tie IPs' salaries to those of mether, so far unspecified, urnessional group. Thereafter, or o the theory goes, the question f MPs' pay should be taken ut of the political arena.

Tarmful

The Government's concessions. uch as they are, seem to have ment to een inspired by the stormy firmly beaution from MPs, especially one go. loty MPs, when it was nnounced last month that the necesse would be paid in three any other in recent years. It is ccept the recommendations of n one respect its latest con-essions could be positively

Boyle recommended that MPs' alaries should go up from just 17.000 to £12,000 in June this The Government has urned down immediate impleneptation on the grounds that such a large increase, paid in one fell swoop, could set a bad xample for pay negotiations in both the public and the private sector. Yet the example now et by the Government is even worse. It is proposing, in effect, system of indexation for the ater stages of the award. MPs Revolt are to be compensated for the rise in the cost of living between how and mid-1981 when the hird stage of the increase recommended by Boyle will be the Government's reaction will others sek to follow suit.

As for the Government's attitude inwards Boyle in general, it is necessary to return to the Review in order ent has backed down slightly to set it in context. Boyle did om its original response to not recommend that the commendations of the increases should be phased in oyle Review. Although the any way: it merely acknown creases will still be phased, it ledged that there might be is now proposed that a rather political pressures against treer amount should be paid granting the increase all at 1 phase one it is also proposed. I phase one. It is also proposed once. If such pressures proved lat there should be an additires stille, it said it was still process should be brief and should be November next year.

The reason for this was that MPs' salaries had suffered unduly from the failure of previous governments to implement past Review recom-mendations in full. The present level of MPs' pay, for example, is now only about 85 per cent of what Boyle recommended it should be in June. 1975. Any further delays in implementing recommended increases would mean that this kind of situation would continue. The way for a govern ment to rectify it was to move firmly by granting the award in

Mrs. Thatcher's Government qual stages. The Government, a new government. It believes nowever, is still refusing to in incentives and indeed has a new government. It believes already granted substantial he Boyle Review in full, and none respect its latest conessions could be positively unpopularity incurred by accepting the Boyle recommendations for MPs in full would have been quickly forgotten as the Gov-ernment and the country turned their attention to other subjects. What is more, the whole question of MPs' pay could indeed have been taken from the political arena by calling for the early adoption of a formula that would link the salaries of Parliamentarians to (say) those of Assistant Secretaries in the Civil Service.

The final choice, of course, is up to individual MPs when they vote on Wednesday. It may be difficult for them to demand paid. One is bound to ask what more for themselves when the Government has recommended oe if other groups of workers, otherwise. Yet it would be whether professional or manual, understandable, and indeed in the public or private sector, wholly justifiable, if there were demand similar treatment. Yet to be an anti-government revolt. if the Government itself is It is hard to avoid the concluenshrining the principle of sion that Mrs. Thatcher and her indexation in awards to MPs. Cabinet had a responsibility to it should not be surprised if lead, and that they have failed

Rigidities in the bloc

LAST WEEK'S meeting in East supposed to be governed by Berlin of Warsaw Pact Communist Party officials whose job it is to maintain ideological attempts to reconcile theory purity would doubtless have with national traditions and the passed off with a yawn had the modern world have been Romanian delegate not drawn developed outside the Com-attention to it by leaving early munist bloc itself and keen when it became clear that what treated with deep suspicion, was required was another con- One attempt within the demnation of China.

Romania's refusal to have any- Rudolf Bahro. Publication, in thing to do with such exercises. West Germany, of his book But the pressures on Romania "The Alternative" was re-to conform are indicative of warded with an eight-year juil able problems facing party East German socialism led him ideologues throughout the to conclude that imposition of

Nationalism :

once in power they ruthlessly state expitalism.

Once in power they ruthlessly suppressed all other political all the coersive tools available forces, the Church and other to a totalitarian system. These forms of cultural and social explicitly tight controls over pression which did not share the information and the media. Stalinist version of the Marxist Subtly graded privileges for the Leninist world view.

Stalinist terror have receded ingness of the Soviet Union to and a new generation has grown. use its own economic, political up. Nationalism has imprinted and military force to preserve its own individual stamp on all its higgemony. the highly differing countries. The trouble is that none of which make up Eastern Europe. Religion, as the Pope's triumphal homecoming eloquently testified, has defied militant atheism.

Throughout the bloc, governments have sought to consoli-date their power through slowly increasing material prosperity. In the process they have created many of the aspirations - but fewer of the actual rewards of a consumer society. Inevitably this process has been based on the western model - which is after all the only such model there is. These are all powerful factors in what looks from the West to be a continuing process of ideological erosion in introducing a maximum Eastern Europe including, to a sentence of up to 12 years jail

affairs more serious is the newsmen:
Soviet Union's failure honestly. To cap it all Czechoslovakia to confront the full implications is now preparing yet another of Stalinism and the refusal to show trial of dissidents to conallow Marxist-Leninist theory cide with the 11th anniversary to develop in a way which takes of the invasion by Warsaw Pact into account the enormous troops. It is all a very sad changes which have occurred commentary on the value of the in the world since 1917 and Helsinki agreements and the make it genuinely attractive to meaning of words like freedom, reached the point it has without the millions of people who are socialism, and democracy.

its principles. Euro-Communism and most of the other

Soviet orbit was the publication There is nothing new in of a controversial critique of Soviet-inspired attempts to condemn China, nor, indeed, in the East German Marxist Herr

sentence. His experience of a historically distorted Soviet Vationalism model had created a highly con-servative, parrow-minded and Communists did not come to intensely bureaucratic form of

eninist world view. elite—and the risk of lesing In the meantime, memories of them, and in reserve, the will-

these problems ever get a mention in the official ideology. Neither arg the issues ever openly discussed and those Marxists in Eastern Europe who bravely attempt to do so are either crushed en masse - as in Czechoslovakia - or individually as in the case of Herr Bahro. But it does not

stop there,

Show trial Last month the East German regime stepped up its repres-sion of individual thought and expression by expelling eight writers from the Writers Union and followed this by lesser extent, the Soviet Union for East German citizens who self. perform the traitorous act of What makes this state of speaking their mind to Western

The Post Office: a monopoly goes on trial

BY JOHN LLOYD

BELGIUM

52,000

5.444

(Sat. 1)

INTERNATIONAL COMPARISON OF POSTAL SERVICES

11.40

244.000

3.072

(Sat. 1)



Sir William Barlow, Post Office chairman: limits to management

W RECENT weeks, the Post petence.

The point is only in part municate efficiently by written

rage now has a sharp barb fault of the customer, of British beneath it. The Government is Rail or of the weather. disposed to intervene in the affairs of the corporation: it is likely to split it into separate postal and telecommunications corporations, and may curtail its monopoly over telecommunications equipment. It has even said that it has an open mind bout the monopoly of the postal business, and Sir Keith Joseph has called for reports on the feasibility of private enterprise — uniquely among major postal services—carrying a significant proportion of letter traffic.

Posts must now prove its efficiency. It is thus a good time to ask—how efficient are the country's mails, and what quality of service may we expect from them? And will the postal business, in the court monopolistic inefficiency and be condemned

First, the case for the defence: Exhibit one: the Post Office Review Committee (Carter Committee), which sat for 18 months and produced its report in July 1977, remains the best recent examination of the corporation. On posts, it commented "we have not made a comprehensive survey, but as far as we can find out few, if any, countries have a postal service better than ours."

White Paper, on the Post Office, a response to Carter, was published a little under a year ago. It confirmed a target of a return Office has suffered the most of 2 per cent on turnover for sustained and serious attack the postal business, one which on its competence since the last the business so far has easily on its competence since the last time it suffered a sustained and Carter that the postal business serious attack on its com- was in good (if not brilliant) shape.

Purchasing Power Parity price of 1st class letter

Number of Post Offices

Number of employees

Number of letters pasted per head of popula

Population per Post Office Number of letter deliveries

Profit (loss) £m in 1977*

per day in main towns

Number of letters posted—(m)

Number of inland parcels posted—(m)

Number of letters posted per employee

Exhibit three: the Post Office humorously meant. The cor- Users' National Council—the poration is continually in the statutory consumers' body—pub-Top Ten of the nation's Aunt lished a report on the delivery Sallys: we now expect to comperformance of the mail services in January of this year. word and voice across long It found that first class mails distances, and when we are achieved their target of 93 per baulked of that expectation's cent of letters delivered by next fulfilment, we curse the carrier. working day, while around 95 The Post Office is thus regularly per cent of second-class letters anathematised: this past bout, were delivered by the third say those of its executives who working day. Of the 7 per cent have acquired permanent stoops of first-class letters which did from ducking behind the para- not reach base the next day, only pets, is at least less severe than 2 per cent at most could be at-some. 2 per cent at most could be at-tributed to Post Office tardiness But the customary hyperbolic the other 5 per cent was the

Performance guide :

Exhibit four: international comparisons are fraught with difficulties, since no two countries are substantially alike geographically or socially. How-ever, the table which accompanies this article, produced by the Post Office and hiterto unpublished, is a guide to how we perform.

It shows that British mails are in the lower half of the price range, that Britain has the most post offices per person (apart from Switzerland), that it compares well on number of deliveries, badly on number of letters posted per person, and is only average on productivity (numbers of letters posted per employee). It is also the only one-apart from the Netherlands-which made a profit. On this sample, and on these figures, it could lay reasonable claims to being "the best."

The defence could go on, but, it rests here. The case for the prosecution should be preceded by a general preamble:

Over the past two weeks, Sir William Barlow and his senior postal executives have made it

Exhibit two: the Government clear that, in their view, hite Paper, on the Post Office, management of the modern postal service has well-defined mean the frequency with which policy.

limits. By far the most the business can deliver first. The big growth since 1976 important of these is the and second class mail, has de has come from parcels, where strength of organised labour. If clined. Its targets are now to, the corporation can compete on the Union of Post Office deliver 93 per cent of first class, price with other carriers, and Workers refuses to allow some post by the next working day, in bulk mail, where it has thing to happen, it will not and 96 per cent of second class marketed hard and secured happen. To "take on the post by the third working day large contracts. Further growth unions," and to attempt to manage by fiat at any stage, is not regarded as a reasonable

10.00

9,237

198.000

2.421

(Sat. 1)

In large part, this is so because the corporation's 400,000 workers have more formal

who appreciated at least some course of research for a forth. We would want to convince it that while postal prices will rise of the effects of the progressive coming book. This index its that it should change to a to accommodate these changes of the lower constructed from Post Office higher-paid, high-productivity, the service will be fully efficient. orders: it must seek to educate figures on service provided for its masters. The main lesson first class letters divided by the is also the main case for the real price index. The resulting prosecution: it concerns productindex, taking 1969 as the base

case for the prosecution: than 50 per cent. Exhibit one: productivity in A judicious summing up, the postal husiness—roughly then might conclude that while per man-has been on a downward trend for years. Eight in other countries, it compares years ago, 175,000 postmen unfavourably with its own nart, handled 11.9bn pieces of mail despite recent improvement. The a year: now, around the same number cope, sometimes in dispute the cornoration admits, adequately with 2bn less. That indeed is trumpeting, its conisa big drop for any husiness. Cern over productivity. So what Carter found that after a 22 per is to be done? cent increase in postal pro- First, the increase in mail ductivity between 1922 and volume over the past two years 1939, and a further (probable) must continue. The generally increase of 20 per cent between young and vigorous senior 1939 and 1966, the index began executive team in the postal time per mail unit went up by

no better, and may have continued to worsen.

which is generally taken to post by the third working day large contracts. Further growth (down from second working day is likely in "junk" mail—two years ago). Last year, it circulars—but a number of just about managed: this year, UPW branches, especially in it has not-in June, first class mail was around 85 per cent. It service is not yet nation-wide, is getting a little better, but the Second, and much more important, the UPW must control of the service is not yet nation-wide.

FRANCE W. GERMY. ITALY

251

- 20,700

271.000

(619)

11.9p

(209)

year, shows a decline of more

measured as throughout of mail the postal service compares favourably with postal services general terms, this is not

to fall, showing an 11 per cent business, believes it can: Mr. drop between 1966 and 1976. Bill Cockburn, the director of In the same decade, sorting postal finance, sees—given hard In extenuation, it must be next five years after that, telesaid that there has been a re-communications might start to versal of the downward trend be very competitive with us. in recent years. That reversal, Prices for phone calls will go however, as postal executives down in real terms, quite interestingly, came to the same admit, is wholly due to an increase in mail volume unaccompoints out that the recent it scrapped a moribund national panied by equivalent increases improvement has been due to scheme in favour of regional panied by equivalent increases improvement has been due to scheme in favour of in staff. Working practices are one-off factors, such as a sudden and pit agreements.) relief from the burden of a

Exhibit two: quality of service. (through a piece of imaginative Post Office Workers' leader: a accountancy) and a rigid pay

NETHERLDS. SWITZ

124

¥± 13,900 ∴

London, won't handle it, so the

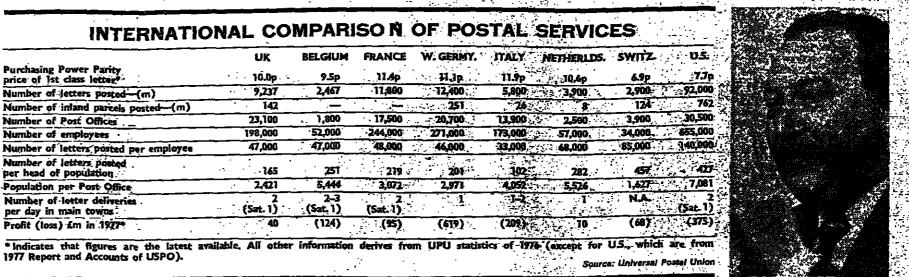
less-labour intensive union. think it is in its interests and I believe many of its members think so, too.

Devolution of power Both Mr. Briscoe and Mr.

devolution of power and res-ponsibility in pursuit of produc-tivity. Mr. Cockburn is encouraging his postmasters to become businessmen, concerned unit costs and we will lose out not just with cost-cutting but entirely to telecommunications. also with dreaming up ways of It is very, very hard to get progenerating more income: "We ductivity up don't want rigidities in the going down: budgeting system to work against effective marketing."

Mr. Briscoe goes even fur-management in the postal busi-ther. "In my view, the only kind ness is that no one believes that work-growth over the next of productivity schemes which five years at least. But in the will work are local, rough-cut, schemes where the workers see the benefits right there, its profitable services and be National schemes don't work." forced into endless deficits. They (The National Coal Board, further believe that private

huge pension fund deficit are still a possibility. For now, tinues.



power of veto

the corporation is trying to get the UPW to agree to a package of productivity measures which includes acceptation of traffic measurement, temporary labour in the summer months and rerouting of mail between sorting offices. The indications are that it might win the first, has an outside chance on the last, but would need a miracle to convince the postmen that temporary labour did not imply a "de-

power than workers anywhere else in the economy. They have had seven part-time worker directors on the Board for 18 months, and similar representation on regional and local committees. This is in itself a rationalisation of the considerable power of veto they have had for many years.

Post Office management is thus, quite consciously, in the postaion favoured by Disraeli, who appreciated at least some course of research for a fortile with portant, the UPW must constitute, the ligher productivity. In part, as Optimists in Post Office Briscoe, director of management believe this might convinced the higher productivity. In part, as Optimists in Post Office Briscoe, director of management believe this might postal operations stresses, this happen: that the UPW will be received to management believe this might postal operations stresses, this happen: that the UPW will be received by Disraeli, calculated a very little. Migher productivity. In part, as Optimists in Post Office Briscoe, director of management believe this might postal operations stresses, this happen: that the UPW will be received by calculated a very little. Migher productivity, In part, as Optimists in Post Office Briscoe, director of management believe this might postal operations stresses, this happen: that the UPW will be postal to file productivity is essential to safeguard their jobs (that means rank and the little a very little. Migher productivity, In part, as Optimists in Post Office Briscoe, director of management believe this might postal operations stresses, this happen: that the UPW will be postal to convinced the higher productivity is essential to safeguard their jobs (that means rank and the postal price of the war been a low paid, their jobs (that means rank and the postal price of the virtues of the virtues of the virtues of the virtues of the postal operations stresses, this happen: that the UPW will be postal operations stresses, this happen: that the UPW will be operations stresses, this happen: that the UPW will be postal operati measures will come in, though they will have to be paid for in relatively higher wages; and that, while postal prices will rise

If this is how the cards fall. the shape of the service in a decade's time might be, says Mr. Briscoe, that "we will have very good premium services (such as Expresspost and Datapost where growth has been rapid); a not bad "middle service"— the bulk of ordinary mail handled possibly a little less well than now, and a big proportion of mail handled a bit better

than now." If this does not happen, then, Mr. Cockburn believes, will see very rapidly increasing We ductivity up when the traffic is

> Finally, it must be said that the impression given by senior private letter carriers will assist the efficiency of the mail. All believe that the post would lose forced into endless deficits. They business would be both ineffcient and expensive.

They are, however, now-required to prove that a continuation of the postal monopoly Such "rough-cut" schemes will be better. The case con

Going rate at the heart of things

Five thousand Bank of England staff have been given a salary increase, As you would expect, it has gone through without any undignified publicity. But the Bank's last quarterly bulletin spoke of the need for wage restraint, so it must be helpful to the rest of us to know how they will fare in Thread-needle Street in the coming

First of all, there is a 10.3 per cent rise based upon the retail price index. Then there is 16 per cent more, to be paid in two instalments-6 per cent in November and 10 per cent in March. This, I am told is designed to bring Bank of England staff in line with other banks, and also involves a measure of internal restructur-

Finally, there is an additional £275 on the London allowance. Overall, this will be worth about 30 per cent to a typical staff member by next spring.

Travel tactics

French holidaymakers will soon be able to book their trips abroad at their friendly neighbourhood tobacconists. The trade mark will be "Blue Holi-days," the colour of a packet of Gauloises. The travel agents are enraged, but a poll of tobacconists - who are almost invariably cafe owners as well—shows them 96 per cent in

Partners in the project, which is likely to go into action in the autumn, are SEITA, the national cigarette manufacturer, plus the State-run national lottery—whose tickets are sold over the tobacconist's counterand Banque Française, which ays out the lottery winnings. But Michael Spencer, cosino The French Travel Agents' analyst for stockbrokers Simon pays out the lottery winnings. federation (SNAV) asserts that and Coates, tells me that he laid the scheme could not have a bet before Ladbroke's alleged



"Well, it's a relief to know that he's no longer relying on faith alone."

But for all the SNAV complaints, it sounds promising for France's 46,000 cafe owners. If customers, sipping aperitifs, can be tempted to buy lottery tickets, why should they not also flip through brochures luring them to exotic places?

Closed book

As the advertisements for Ladbroke proclaim, the organisa-tion "loves a bet." However, a sense of propriety has compelled it to close the book on whether it will lose its London casino licences in the current hearings in front of the good men and women of the South Westminster magistrates court. reached the point it has without "marketing" activities hit the the Balmoral Hotel in San Jose, the approval of the Finance headlines. He got on £100 at Costa Rica. He was reading

20 to 1 with Ron Pollard, the maestro of special bets at Lad-

Spencer is not enthralled, however, at any prospect of col-

Token problem

The closed economy of an acaine lic babysitting co-operative is not immune to untokens from Kellog's Cornflake packets. In De Freville Avenue. He was planning to stand a backwater of Cambridge, the again for the presidency in donnish babysitters were Bolivia at the start of this a dilution of the originally fixed number of tokens—each one representing a night on duty at somebody else's house. Hernan Siles Zuazo. The supply had been diluted by some freelance cutting up of cornflake packets.

Rather than start a witchhunt, a new currency was ever saying that his opponents Ministry. Moreover, it is still devised—university computer are all a bunch of Communists. awaiting an answer to an appeal cards of a distinct reddish. I am not a Communist and I against State-owned banks which colour and covered in numbers. want to help to demonstrate have moved into the town analytic colour and covered in numbers. have moved into the tour operations at work again. Unauthorised types of computer cards were put into circulation. Yet another believer in un-

restrained enterprise began cutting the cards in two, thus procuring a double ration of babysitting time. It all seems a terrible example to set the under-graduates. The mother organ-ising the scheme is now looking for "2,000 things which are almost impossible to forge "Perhaps money was not such a

bad invention after all?

Old campaigner The Sandinista guerrillas in Nicaragua are about to receive their most distinguished—and oldest—recruit. Dr. Luis Adolfo Siles Salinas, who was President of Bolivia in 1969, last week celebrated his 54th birthday in the Balmoral Hotel in San Jose.

Graham Greens Heart of the Matter and preparing to move forward into Sandinista-control-

led territory in Nicaragua.
"I'm a bit old to take up lecting. "The firm does more arms," he said, "I'll limit my-bargains in Ladbroke than in self to whatever civilian relief job the Sandinistas can find for One of the few truly con-

vinced democrats to have occupied the Bolivian presidency in the last few decades; Siles was overthrown in 1969 by the military after a few months in office. forseeable monetary lils, even He thereafter became Bolivia's when the currency in use is leading human rights campaigner. He was planning to stand

donnish babysitters were Bolivia at the start of this recently taken aback to uncover month, but lost out in the tricky game of tactical alliances and withdrew. He left the field open to a close relation, Dr.

" want to show there is a good deal of Latin American solidarity with the Sandinistas," he explains. "Somoza was for that that is an outright He."

Pram jam

Continental reader who enjoyed my recent story about the man in Batum/Tifis who won/lost a car/bicycle in a Georgia lottery/Soviet meet ing recalls the tale of another comrade who worked in the People's Democratic Perambulator factory in "an un-named foreign state."

Since his wife was expecting the birth of their first child, he decided to suspend his socialist principles and steal one com-ponent from the factory each day to assemble a pram at home. Sadly, the scheme came to naught. As he confided to a friend: "It's no good—no matter how I put the pieces together, it always comes out as a machine gun."

Observer |



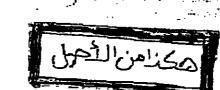
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HONG KONG



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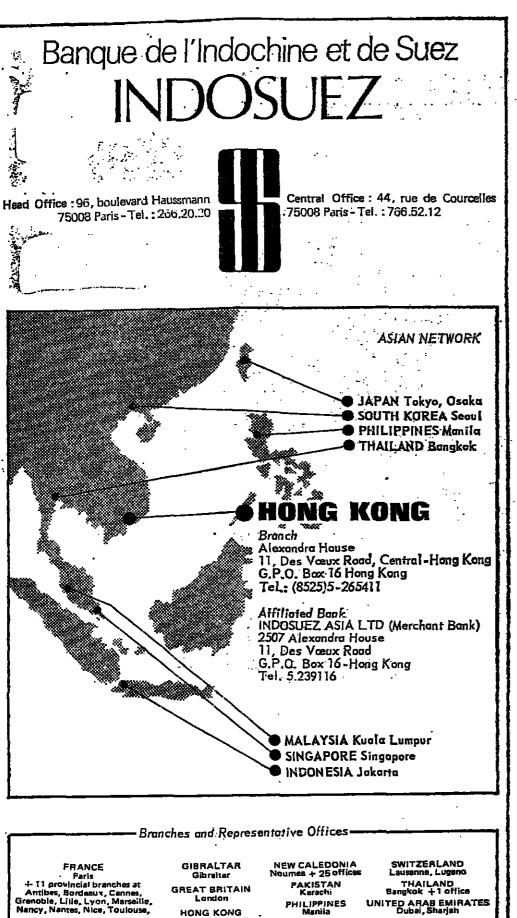
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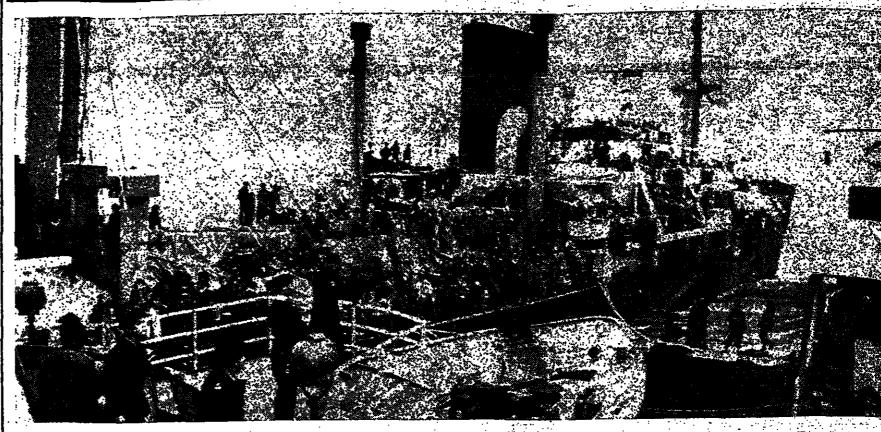


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Under the watchful eyes of the Hong Kong Marine Police (left foreground), the Vieinamese refugees aboard the "Huey Fong" finally meet an end to their 28-day ordeal outside Hong Kong waters.

Following an upsurge of optimism over Hong Kong's long-term future, the colony has since shown considerable resilience and flexibility in the face of a massive refugee/migration challenge. - But a still more pressing problem is the need to keep the colony's economy moving through some choppy waters immediately ahead.

Choppy waters ahead

By PHILIP BOWRING

HONG KONG has long enjoyed and profited from the freedom from the passions of international affairs accorded by its status as a political eunuch. But recent months have shown just how little control Hong Kong has over its own destiny.

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Confronted by what, for a while, seemed a tidal wave of immigrants, legal and illegal, from China, it could do little but appeal to China to relieve the pressure. And confronted with a massive flow of boat refugees from Vietnam it realised that its curious international status made it impossible to follow the same callous policies towards the refugees as its South-East Asian neighbours even assuming that a Chinese refugee community had it in its heart to condemn the refugees to likely death at sea, by push-

TOKYO · VILA

ing them away.
Ironically, the immigrant and refugee issue followed hard on the heels of an upsurge of optimism about the long-term future of the colony flowing from China's more liberal internal situation and the enhanced importance it is now giving to

foreign trade. Just as ironically, the response to the refugee/migration challenge has shown up much that is best in Hong Kong-the resilience and flexibility which an intensely overcrowded city can absorb into its economy and into its society tens of thousands of newcomers, with few apparent problems. Equally, the China euphoria had given a boost earlier to the speculative property fever which is a recurrent disease in Hong Kong, and fuelled an outburst of newrich consumerism which was a joy to importers of items such strobe lights for discotheques, but produced a huge and unsustainable trade deficit.

The human inflow crisis proved Hong Kong's powerlessness. But it perhaps has done more than anything in recent years to improve the City-State's image overseas, where it is still often presented as a fetid sweatshop, where a handful of colonial rulers and Chinese millionaires lord it over toil-Chinese refugees. Its humanitarianism

did not go unnoticed.

Its governor, Sir Murray Maclehose, in visits to Europe and the United States, proved an effective promoter of Hong Kong as a State facing a massive problem but refusing to be panicked. Many outsiders were amazed at the economy's apparent ability to handle the inflow without an increase in

Coincidence

In fact, there was a fortuitous coincidence of an economic boom at the same time as the influx. Without the boom, the influx might have caused unemployment and social problems as newcomers and older residents competed for jobs. And without the influx of -most of the migrants are of working age—the over-heating of the economy would have had more serious consequences than has so far been

As it is, the influx issue has tended to overshadow the fact that Hong Kong will not find it easy to adjust to the sharply lower growth, particularly in money supply and credit necessary to get back to equilibrium, especially if the new oil crisis induces stagnation in Eastern markets. Both the government markets, boin the government and the leading banks must take the blame for belated action to stem the overheating, which has led to a sharp fall in the local currency and taken price inflation into double forms. inflation into double figures.

The brighter side has been

Relations with China

Relations with Japan

Relations with Britain

The Stock Exchange

Tourism

Banking

Shipping

Commodities

Diversification

Trade

ON OTHER PAGES

Property

Textiles

Housing

Electronics

New Towns

Immigration

Gambling

Film industry

Infrastructure

Local Government

Mass Transit Railway

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IX

kept wage levels from rising so fast as to seriously jeopardise Hong Kong's external compentiveness, and replaced workers wooed away from export indusries to local service and con-struction industries which, tem-porarily at least, may have been

The problem for Hong Kong has been that the population influx has hit hard at just the areas of major concern where the colony was beginning to show major achievements --housing and education. However, much additional wealth the newcomers may create; for the economy there are finite physi-cal limits to the speed and volume with which new flats can be constructed to improve the conditions of the Overall educational people. standards and Hong Kong's ability to upgrade its industry, of unskilled massive who mostly have a workers

So, just as Sir Murray Maclehose looks to be finally coming to the end of his governorship with a successful appearance on the world stage, he is also seeing setbacks in the field to which he has devoted his biggest efforts as governor: improving housing, education and social services and generally knocking some of the harsher edges (including corruption) off Hong Kong's

society.
Sir Murray came into office in ilate 1971. His terms has already been extended three times, most recently for just six monthsending in early 1980—to tide the British Government over the

Perhaps the attention given to Hong Kong in recent months may help attract a person of strength and quality to a job which carries immense power and responsibility. The next governor will have to face the consequences of China's new outward-looking attitude for Hong Kong, and the question of finding some formula to provide a firm basis for the present system continuing beyond 1997. As Hong Kong looks for more some formula will be needed if legalistic foreign investors are

Sir Murray's governorship has coincided with a transformation of relations between Hong Kone and Peking-from the cool if correct days of the early 1970s, when memories of the Cultural Revolution disturbances were still fresh, to the positive warmth today. China is openly admiring Hong Kong as an example of modernisation at the same time as looking to it as a source of foreign exchange, and expertise and capital to help achieve its own modernisation.

not to be deterred.

But in the longer run the old rigidities in Hong Kong-China relations may prove no more difficult than managing a situation where there is much closer contact between the two.



Behind this fishing junk in Hong Kong harbour is seen the 52-storey Connaught Centre, Asia's tallest building.

BASIC STATISTICS	्राच्या कर्मा कर्मा स्थापन
Area	404 sq. miles
Population	c. 5m
GDP (Provisional Estimate)	HK\$51.6bn
Per capita	HK\$11,447
TRADE 1978	1.0
Imports	HK\$64.7bn
Exports	HK\$44.9bn
Imports from UK	£362.4m
Exparts to UK	£531.3m
Currency	£1=HK\$14:1574

China's aim must be to maximise revenue from Hong Kong, perhaps by allowing a higher rate of immigration into the colony which would have a lasting impact on wages and living conditions in Hong Kong. Now that Chinese people hear more about Hong Kong, and as the leadership in China faces the task of delivering on some of the condition. its promises, China may not want to see a further widening of the gap in living standards.

between itself and the capitalist. enclave.

But that may be unduly pessi-listic. Historically, Hong mistic. Kong's economic achievement -on a per capita basis have been at least as good as, A example, Singapore, which has almost nil immigration. Meanwhile, there is anyway a pressing problem; to keep moving though

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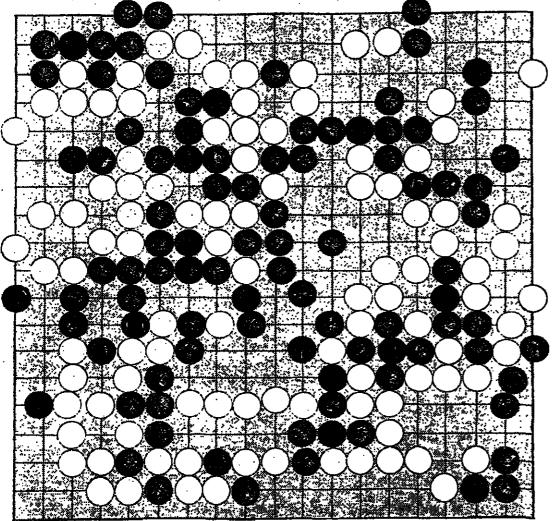
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Go, thought to be one of the oldest games in existence, originated in China over 3,000 years ago and was later adopted by the Japanese. One of the greatest games of strategic skill, the idea is to secure as much of the playing area as possible. (Here, Black is in a strategic position.)

XI

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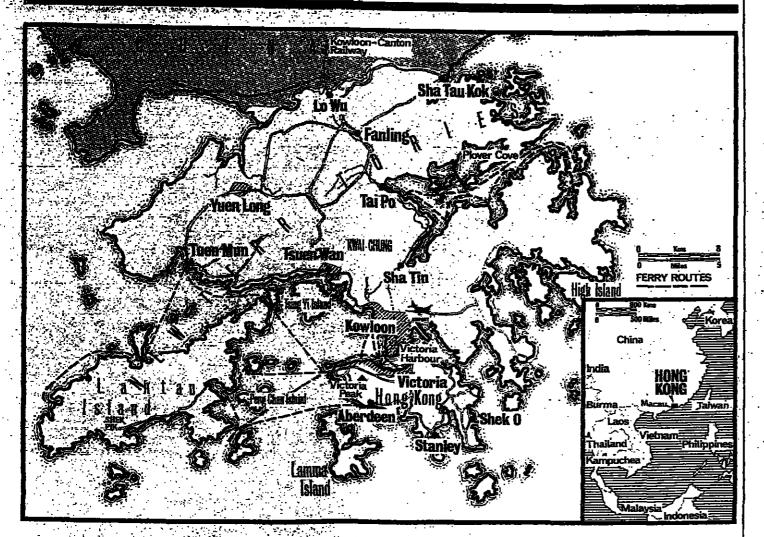
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HONG KONG III



Weighing the risks of expansion

HAVING SPENT three years proving that it can perform at least as well as the more Government directed économies of Taiwan, South Korea and Singapore, Hong Kong is in the process of proving that a free.

Even after allowances are -1974 and 1975 inst preceded it, the performance of the prothree years 1976 to 1978 was remarkable Real GDP expanded Secretary forecast a growth in by 16 per cent in 1976, 12 per real terms of 10 per cent for cent in 1977 and 10 per cent imports and 8 per cent for

record three years for Hong available up to April, Mr. to finance the mass transit rail-Kong which placed it well shear Hadden Cave's deficit forecast is way. And between March 1972 or singapore, and at his management about right of per with. South Korea and liftle low For the first four more than HK\$1bn in the Talwan a singular achievement, mooths the deficit was apparent net foreign asset positions of that part of South HK\$ 4.58bn. Domestic exports thou of banks in Hong Kong. Korea's phenomenal growth is rose 37 per cent, re-exports accounted for by the neve of 58 per cent and imports 43 per Symptoms people from low-productivity tent.

people from low-productivity tent.

agriculture to higher product. The latest figures are difficult

agriculture to higher product. The latest figures are difficult

it has proved easier to destivity industry, a process which to interpret with any accuracy cribe the symptoms than the cause of Hong Kong's domestic

industry such as heavy chemicals ning, for the first time since in car imports which increased and synthetic fibres as in 1976, to widen owing to a sharp, the number of private cars on

lhan injected capital. been a mixed blessing. The reflected in export demand. Government, manufacturing in A more pessimistic view an interest in the underlying not last even despite improved stability of the economy would competitiveness because of the have been happier with two supposedly impending rather than three years of recession and the uncer double-figure growth.

Impulse

The spending potential was generated by the export boom back in 1976, when exports jumped 28 per cent It was a lung time making itself felt, but the pent up consumerism finally made itself felt with increases in consumer demand of 17 and 16 per cent in 1977 and 1978 respectively. And it is an impulse which is proving very difficult to slow in the face of political optimism and the apparent failure of previous correction automatic correction mechanisms within the economy. But slow it must

The boom in domestic demand much has had important consequences, chance There has been a rapid in price widening in the visible trade foods, deficit. Last year this reached. The HK\$9.1bn, more than twice the previous record set in 1974 carnings. But by how much is

In fact, Hong Kong's export Kong tourists abroad has risen performance was comparatively rapidly, too poor last year. The U.S. market. In the Government's (admit-Taiwan achieved growth rates makes, Hong Kong was only roughly double that of Hong barely in the black on travel Kong. The villain was the account in 1978 expenditure of in current prices in the fiscal rising only very slowly. Market domestic demand which thused HK\$ 4.15bn and earnings of year ending March 1979.

The villain was the account in 1978 expenditure of in current prices in the fiscal rising only very slowly. Market outlets for other products are a rise of 20 per cent in retained 4.67bn. That could even mean Meanwhile expenditure on the mixed, especially in the U.S. imports in real terms and a red entry in 1978 because of mass transit railway—which diverted at least some of the the apsurge in travel to China must count as the public sector available resources away from There has been also a surge in even though it is not con-

Such has been the momentum

Re-exports

PHILIP BOWRING

growing

But there was undoubtedly a

substantial overall current

account deficit last year. Off-

setting it was substantial capital

inflow from foreign borrowings

way. And between March 1978

apparent net foreign asset posi-

cause of Hong Kong's domestic

boom. Construction spending

1977 and an unparalleled surge

Government tends to blame

surge; particularly the mass

The Government in fact has

growth of money and an even

more rapid growth of credit.

Symptoms

in just a year.

transit railway.

sector

measures, an even higger trade deficit is expected for 1979. In his budget, Mr. Philip Haddon-Cave, the Financial experts, implying a deficit of In comparative terms it was a about HRS 12bn. With figures king about right or perha and 1979 there was a fall of more than HK\$1bn in the

urbanised Hong Kong fluctuations in the Hong Kong cause of Hong Kongs domestic boom. Construction spending was up 19 per cent in 1978 gains attributable to heavy lake comfort from the fact that investment in capital intensive overall exports are now begin-Taiwan Hong Kong's gains have rise is the value of total trade.

been due very much to increased. The fall in the value of the
productivity which has been Hong Kong dollar may have
more a result of greater skills worsened the terms of trade. han injected capital. but this trend will right itself However, the growth rate has as enhanced competitiveness is A more pessimistic view is dustry, and indeed anyone with that buoyancy of exports will

recession and the uncertainty in other markets caused by the accumulated surpluses of about latest oil supply and price HK\$2.5bn over the past two

What is beyond reasonable deflationary impact that might dispute is that the current level-of-trade deficit cannot be supported for very much longer without another serious decline

in the value of the currency.

The trade weighted exchange rate index at about 93 (1971= 100) has fallen by 11 per cent over the past year and by 20 per cleft stick. To have cent from its early 1976 high expatriated the surpluses would It briefly collapsed to 90 in have reduced credit creation. April when jitters hit the local but also would have exacerbated foreign exchange market. The the woman's foreign exchange market. The the dollar mean a period of double-figure. The current boom is the first inflation, the impact on contract Hong Kong has had since it sumer prices would have been moved to a floating exchange people between end 1977 and end 1978 despite the competition from both the services and confirmation.

The visible deficit will have big current account deficit, inbeen partly offset by services when Hong Kong was hit not at all clear. Earnings from simultaneously by an export tourism have continued to slump and sharp, oil-related increase rapidly the number of slump and its terms of trade visitors last year rose 17 per slump and the remaining of trade visitors last year rose 17 per slump and the remaining of trade visitors last year rose 17 per slump and the remaining of trade visitors last year rose 17 per slump and the remaining of trade visitors last year rose 17 per slump and the remaining of trade visitors last year rose 17 per slump and the remaining of trade visitors last year rose 17 per slump and the remaining of trade visitors last year rose 17 per slump and the remaining of trade visitors last year rose 17 per slump and the remaining trade visitors last year rose 18 per slump and the remaining cent. But expenditure by Hong

transfers of money to China. Government estimates of that despite attempts by the income (a notional figure of

months of interest escalation lending is only now just begin ning to slow down. THE ECONOMY of loans to deposits of the banks has risen more than 80 per cent, compared with under 70 per cent a year ago.

Many banks clearly have had to rely on large borrowings from parents overseas or foreign is added) probably vastly underliquidity. There is an indication cially from the still rapidlythat banks have over-committed themselves to loans which have

yet to be fully drawn down. Sooner or later interest rates are likely to squeeze the property sector very severely There is clearly a danger of in completed building, forced sale and other hallmarks of the pricking of a property bubble After some alarms earlier this year, the market is calm. But Mr. Haddon-Cave's warning that the longer adjustment was delayed the more painful it would

be is still relevant: So too is his general observation in his late-February Budget speech that the problems facing the economy were more severe than those facing it at the end of 1973 - the last time Hong Kong moved rapidly from boom to recession.

That does not mean another recession on 1974-75 lines. World conditions are less gloomy now the road by nearly 20 per cent than then but domestic problems may be more complex. The economy as a whole, and many the banks for pushing a buoyant economy into a dangerously overheated one. Bank advances individual businesses, are now more highly-geared than in the have grown by 45 per cent over the past year. The private

Considering the strength of sector tends to blame the Gov-ernment for its own spending the domestic demand boom, inflationary pressures would have been much more severe than they have been but for the massive influx of people from China. legal and illegal.

Last year net immigration was around 100,000 and this year has years, but they have not had the been at an even higher rate. have been expected because with most of the newcomers of they have been kept mostly on working age. The influx has helped keep wage rates from rising insupportably fast. Average rates rose about 15 per deposit in Hong Kong rather than invested abroad. As a result, they have been available as a base for expanding bank cent in the year to last September, or 9 per cent in real terms. The Government was in a Taking into account the decline left stick. To have in the value of the Hong Kong dollar on a trade-weighted basis during the past year, Hong Kong has maintained, and possibly but also would have exacerbated

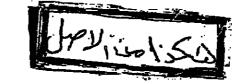
realised how much conditions had changed as a result. The between end 1977 and end 1978. As a result Hong Kong so far is stead of acting to reduce money experiencing little if any diffigrowth was actually found to be able to coexist with a very rapid culty absorbing the massive

inflow of migrants during 1979

sore rapid growth of credit. However, there clearly are The Government's own spend-finite limits to what the labour ing did not help matters. Having markets can absorb. The slowlagged way behind target in down in demand which must performance was comparatively rapidly; too. previous years owing to problem about will reduce new poor last year. The U.S. market. In the Government's (admit lems in implementing major employment opportunities. The was booming and Korea and ledly far from accurate) esticated projects, Government textile and garment export sections of the control of tor are constrained by quota, capital spending took off with a vengeance, rising 90 per cent in current prices in the fiscal and employment in them i

Mr. Haddon-Cave's forecast of export growth of 7 per cent in real terms this year new looks -solidated in Government as though it could be an underaccounts-progressed at a high estimate. But an underestimate though stable level. Govern- is also likely on consumer Government to restrain demand, 5 per cent of total exports of ment is now trying to slow down prices which he expected to rise primarily through exhortation accounted goods and services its public works programme 9 per cent. Though that would but that cannot be done quickly. be easily the highest since 1974, Government total spending is the decline in the currency and budgeted to increase 12 per the rate of wage increases point cent this year. That is about in to a double-figure level. That line with GNP at current prices. conceivably could set off an in-The Government's anti-over- flationary wage spiral. However, heating campaign has been so long as the labour market aimed mainly at the banks. A cases before long, that danger

> the Government's huge deposits It remains one of Hong with exhortation from Mr. Kong's strengths that wages Haddon-Cave have helped push tend to follow labour demand up the best lending rate to rather than respond to price double the banks' best lending increases. To that extent at rate from late October to its least, Hong Kong's feet remain current record 13 per cent. firmly on the ground despite the However, even after several euphoria of the past year.



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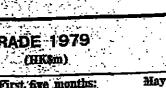
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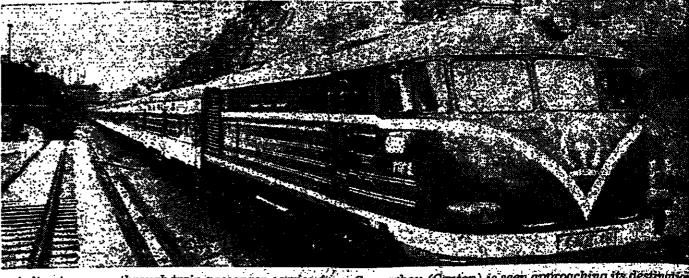
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May alone: combination of the leverage of may not be great. % changé on May, 1978 + 36.4 4,552 + 33.4 + 42.3 1,656



HONG KONG IV



A direct express through-train passenger service from Guangzhou (Canton) is seen approaching its destination in Kowloon, Hong Kong. The train, with ten passenger coaches, operates one service each way, daily.

Two-way traffic building up

HONG KONG, gateway China. This cliche has traditionally inspired Western companies to set up offices and station analysts in Hong Kong, and to pay handsomely for a tedious monitoring of commercial to-ing and fro-ing across the border. The slightest whisper of deals being clinched would trigger full-scale commer-cial pilgrimages into China. An ongoing commercial relationship with Peking, it was once

out a strong Hong Kong connection. Hong Kong's role as a physical gateway into China is almost certainly never likely to

As other cities forge air links diminish in relative

the areas directly adjacent to Hong Kong and Macao—called Shenzhen and Zhuhai respectively—were elevated by Peking to the status of special munici palities. The upshot of this move will be increased allocation of national investment and manpower to Shenzhen and Zhuhai, with the aim of develop-ing them into foreign trade and tourism zones which will directly involve Hong Kong and

Hong Kong's role in Guang dong was also part of the message Chinese officials passed to Hong Kong Governor, Sir Murray Maclehose, during his trip to Peking earlier this year. Chinese Vice-Premier Deng Xlaoping requested Sir Murray to ask Hong Kong investors to "put their hearts at ease" in what was seen as the highest level assurance to date of Peking's interest in maintaining a healthy investment climate in

At the same time Chinese authorities at all levels emphasised their hopes that Hong Kong would play an important role in Chica's development programme, particularly in the growth of neighbouring Guang-dong Province.

dong Province.
Sir Murray said provincial planners from Guangdong were especially straightforward in expressing their belief that in-vestment in Shenzhen, just across the border from Hong Kong's New Territories, would be particularly attractive to investors in Hong Kong. Featur-iog readily available land. labour and proximity to the Bri-tish-administered territory Shenzhen is likely to be China's model for a number of export

oped throughout the country.
China has reportedly already
spent nearly \$4m on improving
roads, power supply, railroads
and water supplies in the predominantly rural area. These infrastructural improvements are intended to aid not only in-dustrial development but also the creation of a tourist area in Shenzhen which will attract 5,000 to 10,000 tourists daily

from Hong Kong. These ambitious plans envisage a wide range of facilities from a hot springs spa to a

thought, could not exist with-

disappear. But its significance is losing ground these days to the concept of Hong Kong as a support base within the over-all Chinese scheme. The view from the other side of the equation is becoming more evident — that Hong Kong is also a Chinese gateway to the outside, as well as a crucial factor in many projects planned on the Chinese side of the border.

with Chinese cities and commercial offices in Peking become a reality, Hong Kong's role as a geographic jumping-off point and monitoring station for China importance. What will continue to proliferate, however, are the steadily increasing examples of Hong Kong participation in the neighbouring Chinese province

Guangdong.

During the recent National People's Congress session held ness representatives from Hong Kong and the nearby Portuguese-administered territory of Macao had signed more than 300 contracts for mainfacturing projects in the province. The contracts involve processing and assembly work, some of them utilising raw materials supplied by

Development

foreign buyer.

RELATIONS WITH CHINA MELINDA LIU

and according to resort beach-Shenzhen officials are expected to help boost foreign exchange from tourism and export-oriented industrial projects to more than 300 per cent of present earnings by 1982. By that time income from fees paid by foreign companies for the processing of materials supplied from outside are expected to be more than 200 per cent the value of Shenzhen's total present in-

dustrial production. Returning to Hong Kong from his China trip Sir Murray reported that the general Chinese plan is to enlist Hong Kong aid in developing Shenzhen in the areas of agriculture, light industry and tourism. Top priority will go to agriculture, particularly the provision of dairy produce, fruit, vegetables. pigs and fish for the Hong Kong market. Some of the projects involving foreign input which are already under way involve clothing yarn, shoes, flowers, luggage, handbags, toys. electronics assembly poultry farming

To Western companies enthralled by visions of integrated steel mills and other grandiose aspects of China's veiled last year. Shenzhen's plans may seem very modest.

But the blueprint for Shenzhen

a realistic reflection of Peking's readjusted develop ment and Sun Company, with ment strategy, which was two leading hongs Hongkong officially confirmed during the Land and Jardine Mathese recent National People's Congress meeting. In addition to the mounting

evidence of China's warm welcome to Hong Kong input into Guangdong is the growing involvement of China's commercial interests in Hong Kong. In May the Hong Kong branch of the Bank of China made its debut as a lender in a commercial loan syndication when it signed an agreement to participate with a number of major world banks in a \$42m syndicated loan to a subsidiary of Sun Hung Kai Securities of Hong Kong. Not long before that the Bank of China, its 13 Peking-controlled sister banks in the Colony and three affiliated insurance companies launched their first fully-fiedged finance company called the China Development Finance

but also to achieve a familiarity. Gliangdong earlier this year. He and facility in the traditional has repeatedly stressed that

foreign currency dealings, and of China and offers this formula Moreover, aithough Western 1997; companies are still awaiting the 'centil

China involving foreign part cipation, Peking-controlled in terests in Hong Kong took as step last summer to enter in their first joint equity arrange ment—a residential and one mercial construction project in the New Territories—with Western groups, Eighty per per of the project is held by Pekins controlled Kiu Kwong Inves-ment and Sun Company, was holding 15 per cent and 5 per cent respectively.

Despite these indications a escalating interaction on but sides of the border, however, tripartite silence from Peking London and Hong Kong con tinues to shroud the office status of the New Territo ment the Chinese Imperial Con ernment leased the New Terri tories to Britain for 99 years Although Chinese regime has claimed in not recognise the 19th century date still triggers an occasional auxious thought among Wes tern investors.

Even so, the increasingly permeable border lends mor and more support to the philosophy of ignoring the Company (Hong Kong) leading optimists on this issue
Its task is not only to finance is Sir Lawrence Kadoorie chairprospects in China such as in man of China Tight and Power,
dustrial ventures in Shenzien which began selling power to activies of retail banking. Hong Kong is really a suburb "A common sense, in first joint equity venture in interests

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BANK OF CREDIT AND COMMERCE



Part of Asia's History

debenture issue by a Hong Kong

From the top of the 52-storey

In July 1832, during the Ching Dynasty, a small public notice in the Canton Register announced the formation of Jardine, Matheson &

In England, William IV was on the Throne; in the United States, Andrew Jackson was in Jus first term as President; and in China

these were the pre-Treaty days, ten years before the founding of Hong Kong. But since that time, in almost a century

and a half of trading, the Company name has remained unchanged. except for the

addition of "Limited" in 1906 when the old firm became a private limited company. Two years after Jardine,

Matheson & Company had put up their sign in Canton. Parliament abolished the East India Company's monopoly of the China Trade. That same

vear Jardines made the first private shipment of tea to the United Kingdom and the pattern had been established, a

pattern which was-to see Jardines emerge as the greatest of all the Far East traders. The scope of the

Company's activities. and the areas in which it operates have progressed far beyond those early trading

days. But Jardines have never lost the drive and initiative of their founders. Indeed, the history of Jardines is a history of firsts - from the first steamship to ply the Pearl River to the first Eurodollar

Connaught Centre, Jardines' Head Office now looks out over a Hong Kong which is almost unrecognizable from the "barren rock" where the

original partners bought the first "lot" of land sold in 184L That same year, Jardines moved their headquarters from Canton to Hong Kong. playing a major role in the founding of Hong Kong and, subsequently, in the City's emergence as one of the great trading centres of

the world. In 1848, Jardines bought the first land lot offered for sale to foreigners in Shanghai, and soon opened an office there. Branches in Foochow, Tientsin, and other major trading centres followed. In 1859, the first let of land sold to foreigners in Yokohama, Japan, was purchased by Jardines and an office was established - followed by

branches in Kobe and Nagasaki, In the century which followed, much of the Group's enterprise centred on China, and later Hong Kong. Jardines' listing on the Hong

> Kong Stock Exchange in 1961 marked the beginning of public records of the Group's financial position - records which show steady and continuous growth.

In 1973, the Group doubled its net worth with two major acquisitions - Theo. H. Davies & Co., Ltd. an old established Hawajian and Philippine trading company, and Reunion Properties

have acquired 40 per cent of the issued capital of Transporting and Trading Company Inc., a Liberian company with widespread interests, mainly in Saudi Arabia. Today Jardines are a major international organization, with

Co. Ltd in the United Kingdom.

continued growth with the

acquisition of Gammon (Hong

year as a listed public company.

The period since 1961 has seen the

from HK\$108 million to HK\$2,316

3,648 per cent and adjusted

earnings per stock unit

Since 1976 Jardines

multiply 25 times.

million, net profit increase

Group's net assets grow 21 times

1975 was another year of

Kong) Ltd; the purchase of 75 per

cent of Zung Fu

Company Ltd and

53 per cent of

Rennies Con-

solidated:

Jardines'

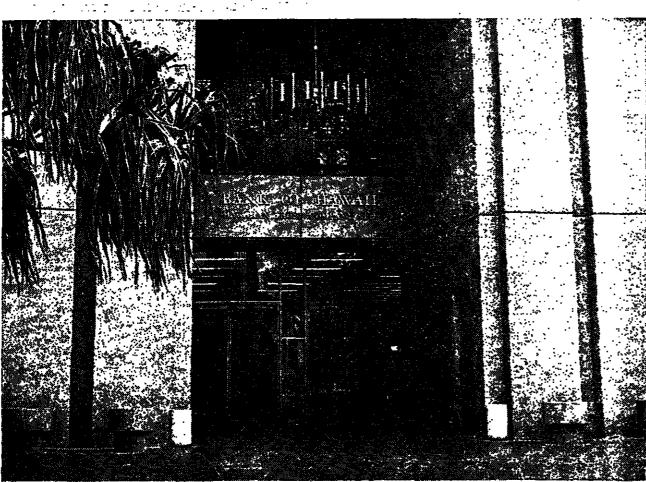
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1975

also marked

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Moves to tackle trade deficit

HONG KONG'S trade imbalance with Japan is considerably larger than Britain's and has been growing at least as fast. But the context within which the two Asian countries conduct their relations is so different from that of UK-Japan rela-tions that Hong Kong has only recently started to focus on its

porter to Hong Kong for most of last year.
of the past decade, supplying In November 1978, Hong of the past necade, supplying In November 1978, Hong Colony's own exporters who it with essential industrial raw. Kong despetched a top level never apparently made any materials and with ears (as well economic mission to Tokyo, led as a portion of the equip by the Governor and including market). Its sales of non-fur ment required for the Mass the chairmen of many top local clothing on the other hand have companies such as Jardine been extremely disappointing, sells textiles, toys, watches and Matheson, the Hong Kong Bank both in relation to sales in other light, industrial and the West Chiming of Matheson and Whole Colony's own exporters who is the past of the colony in the colony is the colony of the colony. other light industrial products and the World Wide Shipping to Japan, but has found the group. The mission told its Japanese market far harder to Japanese hosts of Hong Kong's enetrate than the markets of concern at the trade imbalance Europe and North America. As problem and suggested that one a result-Japan ranks only fourth: way to solve it might be for among. Hong. Kong's overseas. Japanese industry to step up its

Hong Kong's bilateral deficit countries have tended to with Japan exceeded \$1bn in generate exports from those 1974 and passed the \$2.5bn level countries to Japan). in 1978 (when Japan's exports were worth more than six times as much as its imports). Figures for the first four months of 1979 Kong exports have been grow ment's attempt to link investing fast, the deficit is still ments with exports seems to widening slightly. It could have been gressioned in Japan exceed \$2.6bn for the year as a but its expressions of concern whole if current trends consider a such spined a symmethatic hear such spined a symmethatic hear.

Imports

ation

The Hong Kong Government's Business Co-operation Composition on bilateral relations mittee late last year, with Japan is that the deficit The committee mat for the can and should be reduced to the committee mat for the can and should be reduced to the can are should be reduced to the committee mat for the can and should be reduced to the can are should be reduc can and should be reduced but first time in March and is that artificially cutting back on expected to father a series of Japanese imports is not the way sub-groups which will look at to do it. This makes sense in specific problems limiting access and should preferably also view of Hong Kong's total def for Hong Kong products to the demand a high standard of pendence on trade as a way of Japanese market. The level of skilled manual labour. life and on Japan as a source Japanese membership of the of raw materials for its committee (including presidents industry. Since imports from or chairmen of companies such Japan cannot be artificially re- as Toray, the Tokyn Group and duced without damaging the Similtonic Chemical) suggests local economy, efforts at re- that Japan at least wishes to ducing the trade imbalance appear to be taking a positive and it is no accident that top must focus on the promotion of attitude towards the Hong Kong Japanese watch manufacturers Hong Kong exports to Japanese trade problem.

RELATIONS WITH JAPAN CHARLES SMITH

Japanese deficit as a serious and this is precisely what the Hong Kong's big success in problem.

Colony has been trying to do sales to Japan has been in the Japan has been the No 1 ex- harder than ever since the end area of fur clothing (an achieve-

customers, far behind the lead-investments in the Colony (on ing three (U.S., West Germany the theory that Japanese investand Britain). ments in neighbouring Asian

Imbalance

The Hong Kong Governsuch gained a sympathetic hearing. On the suggestion of the vestors towards Hong Kong Japanese Foreign Minister, Mr. appears to be that the cost of Sunao Sonoda the two countries land in the colony is so high

ment which has astonished the Colony's own exporters who Western markets and when compared with the sales to Japan of competitors such as Taiwan, Korea and (increasingly) mainly China.

Hong Kong's Government believes that this lack of success (which has left Hong Kong with a net deficit on its Japan textile trade) can be put down to the fact that Japan has only or so textile investments in the Colony compared with the several hundred in Korea. In Japan the explanation more usually offered is that small Japanese textile trading houses

The attitude of Japanese inthat only specialised types of investment are likely to be profitable. The types concerned have to be capable of being accommodated in the "flatbed" factories that make up much of Hong Kong's industrial area

Example

Watchmaking is the classic instance of such an industry such as Seiko do bave a pre-

sence in Hong Kong. More "basic" types of electronics manufacture such as colour TV assembly are seen by the Japanese as being more suitably accommodated in Singapore, Taiwan or Korea.

Trade and investment are not the only links between Japan and Hong Kong, Japanese banks are well represented in the Hong Kong financial community and Hong Kong ranks as the third most important source of investment in Japanese securities (after the U.S. and Western Europe). Last but not least Japanese tourists account for roughly a quarter of all foreign visitors to Hong Kong. Trade, however, remains the key strand in the relationship and the one which stands in most need of adjustment.



Duty-free prices are a major attraction for overseas visitors. Above: Tourists admire jade carvings in a typical Chinese shop.

The shops do best

TOURISM

DANNY NELSON

MIDNIGHT scramble up 60-ft towers made out of buns and bamboo scaffolding is the centrepiece of Hong Kong's most unusual festival. But only a handful of tourists watch the bizarre event, because it is not widely publicised and takes place on an island with virtually no accommodation for visitors and no late-night ferry

So, the colony's 2m visitors continue to miss such colourful group—rose as the yen appreci-events—and spend 64 per cent ated against the Hong Kong of their HK\$5,100m a year on dollar. shopping.

taken into account when assessing the industry's real earnings. HK\$364m: cameras and optical And shopping sprees are vulner- goods, HK\$243m; and leather able to currency fluctuations, as goods, HK\$219m. was shown in 1977-78 when per Prices have ris capita shopping expenditure fell

There is, of course, an Hong Kong continues to offer a element of swings and round- wide range of goods in a

abouts in this, for in the same

The drawbacks are clear, shopping items for all visitors, Many of the goods purchased with HKS618m (HK\$459m in are imported, which must be 1977); followed by clothes, HK\$520m; watches and clocks,

Prices have risen rapidly in recent months (the shopping almost 10 per cent, as index rose 13.4 per cent in currencies of some major 1978) and increasingly, visitors markets weakened against the Hong Kong dollar. can be heard saying that prices are higher than at home. But

conveniently compact area, and year expenditure by Japanese the range is particularly im-tourists—the second largest portant for tourists from South-East Asia, now the single largest source of visitors.

The South-East Asians, the Jewellery tops the list of biggest section of which are shopping items for all visitors, overseas Chinese, have their own expenditure patterns. For instance, they take tours even less than other groups (tours account for only 2.6 per cent of total tourist expenditure), they are predominantly male. Australians, slightly younger than other visitors and spend more of their money on entertainment and eating out. (They also have a bigger proportion of what Hong Kong's statistics show as "untraceable expenditure " which appears to embrace social

involving personal

Their rise to dominance in the industry has been confirmed this year, with South-East Asian arrivals showing a 44 per cent increase over first quarter of 1978 to 141,000. Japanese totalled 148,000, but that represents a decline of 1 per cent over the two quarters. The Japanese, however, remain by far the biggest spenders.

A by-product problem for the Tourist Association is the perennial difficulty of rudeness, especially among shopkeepers. This is a general problem, but it is particularly acue for South-East Asians because, for many Hong Kong Chinese, tourism is still equated with Americans, Europeans

Optimism

John Pain, HKTA executive director, says a recent campaign was the most successful yet, but even if his optimism is justified, there is still a long way to go.

The steady increase in visitors has meant a boom for the hotel industry with the occupancy rate in January-March running at 91 per cent. Several new establishments are under construction, but the maintenance of the recent growth rates in arrivals (17 per cent last year) would rapidly eat into the new capacity.

The spin-off from the growing number of visitors to China, one quarter of whom go through Hong Kong, should ensure a high rate of increase. There is a danger that as word of overcrowding spreads around, agents will ignore Hong Kong in favour of neighbouring capitals with rooms to spare.

The last big jump in the number of rooms was in 1973-1974 and the industry has been content to let occupancy rates rise since then. Estimates indicate an increase from 14,168 in 1978 to 21,267 in 1982. Forecasts are notoriously difficult in Hong Kong, however, because of the flexibility of the development companies.

At the end of last year, for instance, Hotel Federal, a local group, dropped plans for a hotel in favour of a commercial building because profits can be made in two or three years through selling an office block compared with between eight and 10 for operating a hoteL

At the time of the Hotel Federal announcement, it was reckoned that the cost of building a good class hotel room stood at \$50,000, excluding land costs at around \$1,500 a square

In peak periods the situation is acute, and there have been incidents of groups sleeping in hotel lobbies, and even in a

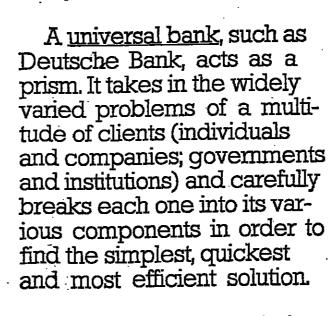
Few other new tourist projects are in sight of completion, with the exception of the Sung Dynasty village, a living museum which could appeal to both Asian and European visitors and help the industry in its constant search for ways of increasing average length of stay (currently, 3.9 days).

The village has taken four years and HK\$15m to build. At HK\$70 (with lunch) and HK\$50 (snack), tours will not be cheap, but great care has been taken over authenticity - the intricate interior wood carving involved 100 men, about one quarter of all such craftsmen available in Hong Kong.

But the real crunch for the industry will come when the capacity of Hong Kong's only airport can be squeezed no further. This will occur in the mid-1980s, and if another airport is not in operation by then —either across the border in Canton or on Lantau Island — tourist arrivals are likely to be the first to be curbed.

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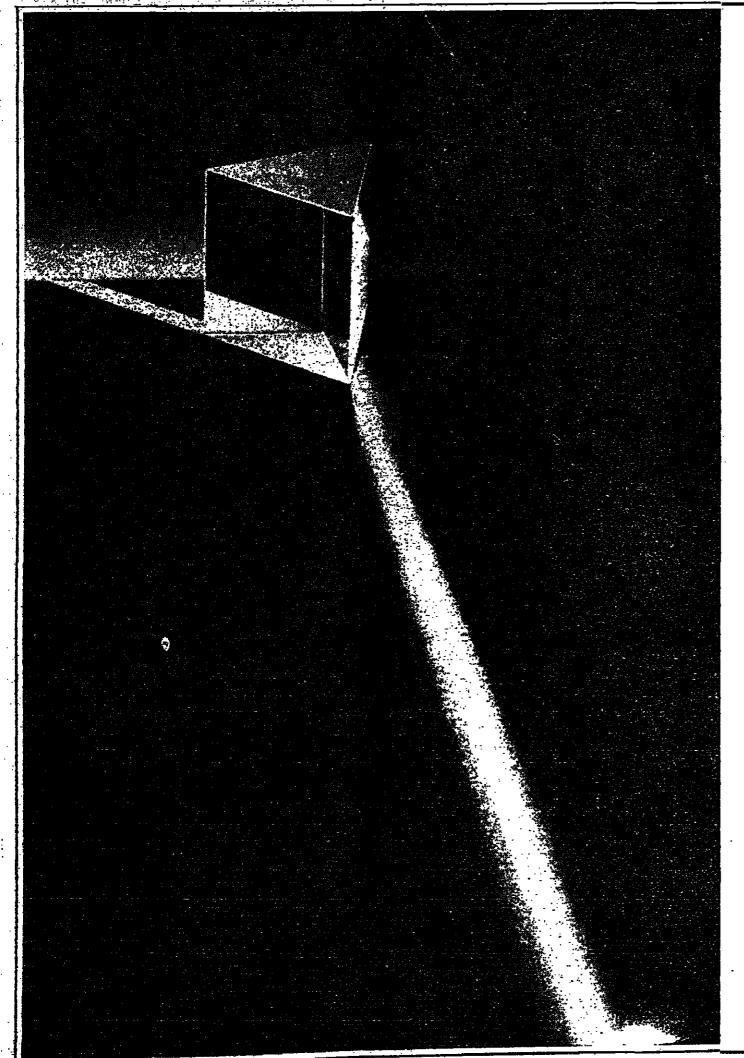
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Attitudes have improved

HONG KONG and Britain com-plain constantly about each other, but behind the bickering a very special relationship exists both at the level of trade and in political terms.

As Britain's leasehold on this tiny Colony shortens, so one single reality glares more starkly before the British and Hong Kong governments: Hong Kong stays British only so long as China wills it.

Hong Kong's Governor, Sir Murray MacLehose, recently acknowledged this fact: "With the consolidation of China as a great power and the withering of Britain's power in the Far East, it is inconceivable that this Colony should exist against China's will. Quite simply, Hong Kong continues to exist because China wants it to."
As Britain's colonial head in

Hong Kong, Sir Murray has done a great deal to improve relations with China—and to convince the Chinese that their best interests are served by leaving Hong Kong free and prosperous. Sir Murray's official visit to Peking in April was the climax to years of patient bridge building: such a visit would have been inconceivable 10 years ago. Sir Murray's tenure as Governor has been extended three times, and he is now due to retire in April next year. A further extension is unlikely, and the British Government must be thinking hard about a

Sir Murray will be a tough man to follow. He will be remembered not just for his "great leap forward" in rela-tions with China, but as an excellent administrator and as the instigator of far-reaching social reforms. He has become renowned for his leading role in broadening public access to health services, better education facilities and improved public to follow in Sir Murtar's stops housing. He has pressed hard as a man of "gravitas." for a shorter working week. better working conditions and more sports and leisure facilities He is also closely linked with firm action taken against corruption in Hong

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1977 1978

RELATIONS WITH BRITAIN

DAVID DODWELL

is certainly not open: he (or she?) will not be local and will not be Chinese. Communist China has come to terms with the anachronism of British colonial control of Hong Kong, but any sign of a reversion to local Chinese rule will make its "laissez faire" attitude increas-ingly hard to adhere to. As one close aide to Sir Murray noted: With Taiwan on the sidelines. China finds it extremely difficult to cope with the idea of two Chinas: the idea of three Chinas

Successor

would be intolerable."

Sir Murray is inevitably coy about possible successors, and it is probably fair to assume that the new Conservative Govern-ment in Britain has more pressing issues on its plate at the moment. By November, however, a new choice will be imminent.

Even now, there are certain broad requirements which make the list of possible successors very short: Hong Kong is no longer a small economy. With a total trade of about £11.7bn in 1978, it is in the big league of world economies. So any new Governor will have to have a sound international reputation He will have to be familiar with the affairs of East Asia. and have sound experience of China in particular. He will also have

One anachronism which a new Governor will probably have to tackle is that of the colorida administration which still sur vives in Hong Kong. This still relies heavily or. expatriate People mystically refer workers, mainly from Britain to his charisma—most call it who are in many asses widers "gravitas." resented by the local Chinese

As for a successor, one option population

A significant expatriate workforce is justified on the grounds that the Communist Chinese would be unhappy to see too much political clout devolve to locals: again the fear of three Chinas rises to the surface. But as an increasingly large

proportion of Hong Kong's Chinese population completes secondary and tertiary educa-tion, and as the British colonial service withers at the roots, so the case for employing expatriates rather than Chinese to perform many senior administrative jobs in government becomes increasingly filmsy. The perks that go to expairiates mainly in the form of housing assistance—are increasingly resented when locals feel that they themselves could do the same jobs

When most British people think of Hong Kong—and vice versa—they probably do not think of the political and colo-nial links, however: first and 'a-most they will think of trade. It was trading prospects which first attracted Britain to Hong Kong, and trading links still dominate today.

Britain is Hong Kong's third largest export market, behind the United States and West Germany. Britain imported HK\$3.87bn worth of Hong Kong exports in 1978-9.5 per cent of Hong Kong's total exports. Hong Kong is Britain's second larges' market in Asia, behind Jap n. This tiny colony of about neople imported British is worth HK\$2 97bn in 1978 -ebout 4.7 per cent of total im-

But trade relations have soured in recent years. Hong adors suspec Butain as a prime mover behind the demanda for protectionism inside ine European Economic Comnunity, while Britain's traders to Horg Kong's growing trade surplus with Britain and must that the Hong Kong Goverament does more to redress the balance in bilateral trade.

is toro that the protectionist lobby is powerful in Britain — particularly in the extile industry which is so dear to the hearts of Hong Kong traders. It is also true that the British Government strongly pushed for global limits on the raport of certain goods into the EEC. But beyond this, Britain's Senior Trade Commissioner in Hong Kong, Mr. Derek March, insists that Britain has been an active defendant of Hong Hong's trading interests. He orgues that Hong Kong's aggrieved traders should be trankful that the British Government—along with other European governments-resisted so many of the demands made by the protectionist lobby

at home. In fact, Hong Kong's traders have not conspicuously suffered as a result of quotas imposed on exports to the EEC and the United States. The quotas applied to the quantity of items emported to the EEC, and not their value. So by improving quality, traders have been able to improve profit margins while the volume of exports has remained static.

They have also circumvented quotas by expanding exports of goods not covered by them: for example, fur and leather garments—not restricted by any quotes-have been boom sectors

relations with China. for exporters over the past year. So in 1978, the value of Hong Kong's exports to Britain rose by 28 per cent: the value of textile, cloth and yarn exports rose by 26 per cent. Neither figure implies that Hong Kong

Mr. March bluntly points out "Hong Kong can't expect to be treated like a tiny colonial exporter any more. With an overall trade of HK\$117bn in 1978, it is a major international. economy. In the first quarter of 1979, exports to Britain rose by over 80 per cent, while Hong Kong is now the 29th largest economy in the world. It can no longer expect to be treated with kid gloves."

is suffering gravely as a result

Complacent

Hong Kong's businessmen give short shrift to complaints that the Colony imports too few British products they claim that British businessmen have for too long been completent about the Hong Kong market,

taking it very much for granted. Mr. David Jeaffreson, Hong Kong's Economic Services secre tary, is blunt: "Quite frankly, the British attitude to trade with Hong Kong was quite disgraceful. They were just not trying very hard."

Mr. March accepts this criticism in large part-but claims that things have begun to change in the past two years. In this period, British exports to Hong Kong have leapt by 76 per cent, with British companies scooping three major contracts, worth around HK\$4bn GEC is to supply a power generating plant to the Kowloon Electric Supply Company: Balfour Beatty is to build a transmission line for China Light and Power; and the Mass Transit Railway, due to start operation in October, will use

British-built rolling stock. Mr. March adds: "Only 4.5 per cent of Hong Kong's total imports come from Britain-and that's not good enough. More British businessmen should realise that Hong Kong is a straightforward market-and by that I don't mean easy. It is big by any standards, with no import controls, no exchange controls. with English as the business language. And what's more there's a great deal of sympathy for us British.

"I ask British husinessmen when they last looked at the Hore Kong market. In 1958 total imparts wore fast IIES4 5677 In 20 years they have grown to trinogic. That means Pone Kong must be a market worth iniking about."



Sir Murray MacLehose, whose tenure of office as Governor General of Hong Kong.

has been extended three times, addresses a Press conference in London recently.

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HONG KONG VII

Lighter regulations on money supply

relative quiet the dimestic banking some in Hong Kong has recently been undergoing some sharp changes in a variety of directions.

There is a change in relation-ship between the banking industry and the Government,

exercise a strong direct the two leading banks had influence on money supply reached a record 13 per cent. It amended the Banking more than double what it had Ordinance, the law which been just six months before. governs bank operations, to The underlying reason for the redefine its own short-term rise was not difficult to find deposits (up to seven days)

Bank credit for the first quarter with the banks as interbank of 1979 has consistently been

radical step towards using the annualised basis the rate of apparent net foreign assets of Banking Ordinance not just as growth is still far too high and Hong Kong banks fell from a means of prudent supervision in late June the chairman of HK\$17bn to HK\$15bn over the of individual banks but of the Exchange Banks Association year to March last. influencing the rate of growth urged members to show caution of money supply and the in new lending. However, they behaviour of interest rates, made such substantial loan Government deposits currently commitments last year that account for some 9 per cent of the banks' Hong Kong dollar deposits totalling HK\$70bn drawn down.

Shifting between long and The massive trade deficit short term can have a powerful which has been a major impact on the need for liquidity consequence of the money of the banking system in general growth spurred a run on the and thus its ability to increase Hong Kong dollar in April, credit. The Government took forcing a further upward rise this power because it came to in interest rates. At one time realise that it had some respon- the local currency collapsed to sibility for trying to ensure a HK\$5.30 to the U.S. dollar and degree of monetary stability— its trade-weighted index to 90 but that mere exhortation to the banks to do what the Govern-recovering to around HK\$5.09 at ment deemed desirable was not the end of June, with the index

Chided:

Early in the second half of not to be working under a float-1978 the Government began to ing exchange rate system. get worried about the continu- Under a fixed rate a current ing rapid growth of credit account deficit contracted which it considered was leading money supply. But now at

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PHILIP BOWRING

BANKING

and one between the local banks led by the Hongkong Secretary, Mr. Philip Haddon and Shanghai Banking Corpora. Caye, publicly chided the banks the hackground is the outward to cool off demand, which was blooking policy of China especially strong in the property where the consequences, it any, cannot yet be easily determined.

The most important change ment moved to neutralise part cannot yet be easily determined only started after the Government in started after the Government of its own Hong Kong dollar has decided, against its will balances through a swap agreebut in accordance with its better ment, by which it acquired indgment, that money is too important a matter to be left depress further the exchange entirely to bankers. From May last the Government acquired for the first time powers which it began a dramatic escalator the first time powers which the agreed best lending rate of exercise a strong direct the two leading banks had

deposits requiring 100 per cent higher than a year previously ordinary deposits requiring than a year previously.

Loans grew 3.7 per cent in only 25 per cent cover.

This apparently minor technical change was actually a same month in 1978. On an actually a same month in 1978. rapid growth may continue until earlier approvals have been

its trade-weighted index to 90 (December, 1971 = 100) before at 90. Two years ago the index was at 115.

Hong Kong's old system of automatic adjustment was found

to overheating of the economy least in theory—credit could go and weakening of the balance of on being created indefinitely, payments. The Government rejects the In September the Financial notion that a central bank is.

BANKING STATISTICS (HK\$bn) March March Time deposits 30.1 Savings deposits Due to banks abroad 21.8 24.3 57.9 10.9 16.7 Other liabilities Loans in Hong Kong 39.8 Loans abroad Due from banks abroad Other assets 10.1 17.7

and the exchange rate.

Credit in fact has expanded very much faster than money

supply. Bank deposits increased

fairly steady in the 45 to 46 per

cent range. The reason for this apparent discrepancy is that

liquidity can readily be provided

Meanwhile there was substan-

tain lending and finance. The large current account deficit

(the trade deficit in 1978 was a record HK\$9bn and is forecast

to hit HK\$12bn this year)

apparent net foreign assets of Hong Kong banks fell from

transactions.

offshore interbank

The lending spree was probably helped along by the liberalisation of the issue of banking licences. Until a year ago only one new licence had been issued since the 1965 banking crisis. But the Government changed its policy to allow in, on a selective basis, big foreign banks. Some 30 new licences have been granted so far. Many have gone to banks which previously had finance companies and representative offices. Most of the newcomers are not especially interested in retail business.

But their arrival, coinciding

as it has with euphoria over trade and finance with China, helped swell Hong Kong dollar bank market. As a result the nature and role of the interbank market, not for the first HK\$54.9bn. time, became a bone of con-tention between local and

For much of the past year interest rates in the interbank market have been above the best lending rate. This has seriously squeezed the profits of those banks which have relied on the interbank market for their funding. They have tended to claim that local banks have been deliberately squeezing them. The locals reply that tax and administrative consider-the foreigner should make more ations. What is not clear is effort to establish larger depo- whether there is much advantsits bases through branch networks. They say the local rate setting cartel aims to try to keep rates to the public reasonably stable and that interbank rates are naturally more volatile for long periods. In 1976 and 1977, the locals argue, interbank rates were very low.

Merits

Whatever the merits of the various claims, shortage of interbank funds is driving the foreign banks into new efforts to raise HK dollars. Most recently, Citibank launched the first bankers acceptances seen in Hong Kong. They are denominated in units of HK\$10,000, which makes them accessible to smaller investors. They have a three-month maturity and for technical reasons do not suffer interest tax. Interest is pitched higher than on time deposits but below

There have also been a number of issues of Certificates of Deposit (CDS) of various sorts—some fixed rate, some floating rate, some linked to best lending rate, others follow-

which come under the deposit-taking heading—consumer and mortgage finance, share dealing and discounting of post-dated

only 25 per cent in the year to cheques.

end April, when the loans to deposits ratio reached a near linked to the average maturity record 82.2 per cent against of domestic deposit. (They will solve the activity of the Average liquidity, however, between the two periods remained to the average maturity of domestic deposit. (They will not affect the activity of the major banks, banks which use thong Kong deposit-taking com-Hong Kong deposit-taking companies as channels for inter-national syndicated loans). The key question, however, may not be the levels of liquidity required but the definition of that liquidity. If it is made broader tial capital inflow through the banking system, helping to susfor example, to include negotiable CDs or bank accepted bills—it would open up new possibilities for development of

the local money market. Official sources suggest that the deposit-taking companiesof which there are some 230may not be as badly in need of supervision as some jealous bankers have suggested. There was particular concern about them late last year when there was a run on the largest of them Sun Hung Kai Finance (SHKF), a subsidiary of Sun Hung Kai Securities, a diversified financial group which is inter alia the largest stockbroker in Hong Kong.

SHK lost more than 20 per cent of its 600m deposits in a few days. Big standby lines of credit had to be provided by the Hong Kong and Shanghai Bank and Paribas, the French group which earlier in the year bought a minority stake in SHK and the Financial Secretary had to put the Government's own imprimatur on SHK's solvency.

There were fears at the time of a snowballing collapse of share and property prices leading to big problems for the financial sector generally. That might yet happen. But in fact there are few finance companies which actively bid for public do are subsidiaries of licensed

Loans

The total amount loaned in lending. It also increased de-mand for funds from the inter-taking companies at end-March last was only HK\$10.3bn, com-pared with their total assets of

Although figures are available before 1979 it seems likely that the deposit-taking companies' overall business may stagnate as offshore business is switched into branch operations following the grant of licences to big foreign banks.

The choice between lending through a branch of subsidiary is largely determined by the lending institution's worldwide ations. What is not clear is age one way or the other relative to Hong Kong's own new rules on taxation of profits from interest on offshore transactions.

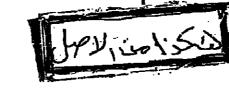
When first introduced in the 1978 budget the new definitions produced howls of outrage from many bankers and suggestions that business would go elsewhere. Though the Inland Revenue has issued guidelines on the tax there is still some uncertainty as to its practical

application.
Clearly it has not caused any exodus of bankers. But there has been some reluctance to put loans through the books of a Hong Kong branch. Loans abroad by Hong Kong banks fell from HK\$19.6bn in February 1978, the month of the tax announcement, to HK\$15.8bn in August. They have started rising again and were back to HK\$18.7bn in April, Any worries foreign bankers may have had about the wisdom of operating from Hong Kong ecause of the tax have been largely overshadowed by the optimism over opportunities for

lending to China. Meanwhile, the irony of the situation is that while China is gearing up to borrow billions of dollars it was the Bank of China which in April cut interest rates just at the time the Hong Kong dollar was

under greatest pressure. Another recent innovation in the money market includes short-term paper issued by the Government-owned Mass Transit Railway Corporation.

But the Government itself remains unwilling to issue its own paper as a means—not of borrowing, which it does not need—but of providing a liquid asset instrument for the local money market. At present almost the only available Hong Kong dollar liquid asset other than cash is interbank deposits. It is possible, however, that that situation could change before



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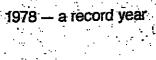
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Thriving on uncertainty

HONG KONG'S traders seem to cent increase in the value of tex-thrive on uncertainty—but it tile imports, has taken a cool nerve to cope Exports of toys, games and with the uncertainties of the past 12 months.

Accelerating inflation, rising wage costs and an increasing appetite for domestic consump-tion has prompted no less than the Financial Secretary Philip Haddon-Cave to warn gravely that the economy is "overheat-ing." And at the root of it all is supposed to be a deteriorating visible trade balance.

The faint of heart also bite their nails over protectionist murmurings from Europe and the U.S., and over a reces which is expected in the U.S. as energy prices soar once again. They point out that Hong Kong with no domestic market to sup-port it, depends absolutely on thriving international trade for its wealth: if the world economy catches a cold, Hong Kong could die of pneumonia.

It is possible to take a completely different and much more optimistic perspective, however.
While it is true that imports rose
in 1978 by 29 per cent, the
greater part of this increase was in machinery and raw materials needed for export industry—not in consumer items that would lead to higher inflation. At the same time, exports grew by 16 per cent-a growth rate that must be envied by many governments in the west.

Export growth is even more impressive when broken down into its component sectors. Textile exports-now subject to strictly applied quotas—increased by 7 per cent in value in 1978, while Sigures for the early part of 1979 imply a growth rate in excess of 40 per

cent.
The United Kingdom-Hong Kong's third largest export market—imported 12 per cent more textiles in spite of intense pro-tectionist undercurrents in the indications for the early part of Kong exporters: they are them 1979 imply a startling 80 per selves dogmatically committed

sporting equipment, worth HK\$772m in the first four months of 1978, have risen by 49 per cent to HK\$1,153m in the same period this year. Watch and clock exports have risen by 55 per cent to HK\$995m in the same period.

The widely mooted recession The widely mooted recession in the U.S. is yet to manifest itself in Hong Kong's export figures: they rose by 11.6 per cent in 1978. David Jeaffreson, Hong Kong's Economic Services Secretary, claims that trade with the U.S. looks buoyant, at least until the autumn, and there is as yet no way of telling there is as yet no way of telling what will happen beyond then.

Benefits

Optimists also point to the benefits that are likely to come Hong Kong's way as China opens up to trade with the world: an estimated 30,000 businessmen passed through Hong Kong on their way to do business the Conton Fairness at the Canton Fair-and many will use Hong Kong as an operational base for trade inside China. Similarly, the U.S. China trade accord signed by U.S. Commerce Secretary Juanita Kreps in Peking and Canton in May is likely to bring a substantial share of business Hong Kong's way—even if it is only used as a commercial and financial base

for operations inside China. Hong Kong's traders are right, however, to be cautious about the likely spin-off from trade with China. Worries over certain developments inside the Hong Kong economy are also justified: acute labour shortages have resulted in rapidly rising wage costs—which in turn have seriously eroded Hong Kong's competitive position in relation to adversaries like South Korea and Taiwan.

The shadow of protectionism domestic textile industry, and also looms large over Hong TRADE

DAVID DODWELL

to the virtues of free trade and Rong is a sort of AC-DC conresent protectionism as a verter providing a medium matter of principle. They feel through which its socialist that Western producers, jealous economy can "plug in" to the of Hong Kong's trading success, capitalist world outside. China's and unable to compete in a "andercover" business in Hong free market, prefer to hoist tariff walls rather than reorganise their own less efficient industries.

Hong Kong's exporters are par-ticularly suspicious of Britain's role in the erection of tariff walls around the EEC: many believe that British trade officials acted as "agents provocateurs" inside the EEC, using the cloak of the EEC trade policy to disguise Britain's own urgent need to protect certain ailing sectors of industry particularly textiles.

They also resent what they feel is growing British pressure to redress the imbalance in bilateral trade (Hong Kong's trade surplus with the UK was HK\$1bn in 1978 out of a total trade of HK\$6.99bn). The U.S., which ran a HK\$7.6bn deficit on visible trade with Hong Kong in 1978, seems much more sanguine about the imbalance.

Despite Hong Rong's protests figures already quoted show that its exporters have successfully circumvented the constraints imposed on them in the form of quotas. The EEC put an upper limit on the number of cotton shirts and dresses (for example) that they could export to the Community. So Hong Kong traders simply raised the quality of the shirts and dresses they exported, boosting income by reaping higher profit margins on each item exported. They also diversified into fur and leather garments - because neither fur nor leather is subect to any quota.

Quotas imposed by the U.S. vere attacked with similar panache, but it seems the end result will be that fresh quotas will be introduced: leather products, particularly shoes, may be next to feel curbs. The U.S. Government has advised the Hong Kong Government that quotas are inevitable unless the industry accepts self-imposed restraints.

achieve its newly defined eco- Hong Kong by local business- the early part of 1979. Re-exports nomic goals. No matter what men, and many are set in the to China soared from a neg the outcome, the impact on Shenzhen region in Hong Kong's ligible HK\$23m by 322 per cen Hong Kong can only be guessed

mindercover" business in Hong Rong earns Chalrman Hua Guofeng's Government around US\$31-Abn in foreign exchange avery year.

It also offers socialist China a laboratory where it can watch capitalist enterprise in opera-tion and can pick up those tricks of the capitalist trade needed for its own development. Japanese and U.S. contractors are known to have offered rock have been the bulwark of the bottom prices to win project work in Hong Kong-particularly in the construction in-

for themselves. For Hong Kong, China provides food. Hong Kong's food bill in 1978 was HK38.2bn—and most of that came from China. China exports more to Hong Kong than even the U.S. Only the Japanese export more.

China's dramatic four modernisations" plans have opened up two new areas of opportunity for Hong Kong-joint ventures and tourism.

Pragmatic

Both subjects were discussed with the Chinese by Sir Murray MacLehose, Hong Kong's widely respected gover-nor, when he blazed a historic trail through Canton to Peking in April. On both counts, Sir Murray returned optimistic: the ever pragmatic Peking Government recognises that Hong Kong is most valuable to it while it is prospering, and emed keen to point western businessmen through Hong Kong if they want to do business

with the mainland. A close aide to the Governor explained: "The thrust of the Chinese Government is quite clear: they need Hong Kong. It was not that they love Hong

resources to these have been drawn up in has least up the ranking durk immediate hinterland. The spin- to HK\$106m -

Travel Bureau in Hong Kong has found enormous demand for visits to China. Most of the visitors are American or Australian, and all have large sums of foreign exchange to

Potentially just as interesting is the development of the Hong Kong hinterland as a holiday playground for the Colony's increasingly affilient Chinese population. More than 750,000 Hong Kong Chinese visited their families in Canton over the Spring Festival in February, and many more of Hong Kongs 5m Chinese might be tempted by cheap holidays into the mainland. At present, anyone waming to get away from the crowded Colony must travel to Singapore, the Philippines or even further affeld.

Some argue that the development of the Chinese maintain may undermine industries that Hong Kong economy—like textiles and low technology electronics. But as Hong Kong's dustry. This is because they economy becomes more sophismicion the Chinese will be able cated, so this fear seems less to see their equipment or technology at work and may be China looks likely to be equally sufficiently impressed to order good for Hong Kong.

The second — and most enter good for Hong Kong.

The second — and most enig

matic Asian trading partner is Japan. The balance of trade between the two countries is so dramatically in Japan's favour that serious worries have been voiced by top Hong Kong trade officials. In 1978, Japan exported the Hong Kong goods, worth HR\$144bn — but imported just HR\$1.85bn in return. Between 1977 and 1978 Japan boosted its exports to Hong Kong by HR\$43bn-more than twice Hong Kong's total exports to

Hong Kong's worries were clearly put by David Jordan director of the Trade, Industry and Commerce department: "We don't expect our trade with Japan ever to be in balance. But it seems very odd that we can't compete in Japan against countries we compete effectively with in other parts of the world." Japan Inc. seems so tied up." Trade leaders think there is a

close link betwen the level of Japanese investment in a country and the amount if imports from that country. So the current strategy is to attract as much Japanese investment as possible and hope that a better trade balance results.

One other aspect of Hong restraints.

In the face of these trading restraints, Hong Kong business about that But they wanted mentioned — but has become a cornerstone. That is reexports. These were worth HK\$13.2im in people to have confidence in the particularly in Asia. The most tantalising unknown here is of course China.

The pace of China's modernisation is still uncertain—as is the extent to which the Chinese will draw upon foreign expertise and resources to the course that they love Hong Kong's trade has so far not been mentioned — but has become a cornerstone. That is reexports. These were worth HK\$13.2im in 1978—up by 34 per cent on 1977.

The rate of growth in the early part of 1979 has been even more rapid—about 59 per cent. It is interesting to note that while equity remures have been drawn up in has leapt up the ranking during. Kong's trade has so far not been off here for Hong Kong's trade annual total of more than could be immense.

HK\$1.2bn. But perhans it is tee Hong Kong has always been could be immense.

HK\$1.2bn. But perhaps it is teo indispensible to China—and Tourism could also be a big early to read anything too sigvice versa. For China, Hong money spinner. The China nificant into this trend.

Container chaos

HONG KONG is South-east Asia's most complete shipping tional regional trade, China shipping, the container port and international shipping com-munity composed of brokers, bankers, lawyers and some of the world's largest shipowners.

During 1978 the port had what one liner man called a "reason-able year" — meaning that ocean-going cargo movements were up slightly to 6.72m tons as compared with 6.3m tons in 1977 and that there were no crises of the magnitude of Japan Line's near collapse which had the colony's shipowners losing sleep.

In the past five years the container port has become the most important sector of the port. During 1978, 501,464 full teus (20-foot equivalents) accounting for 4.5m tons were discharged and another 518,326 loaded with 3.87m tons of cargo. These figures were marginally down on 1977 and it is likely that 1979 figures will be just slightly ahead of the mark. The importance of

tainerisation is difficult to underestimate—Hong Kong is part of the light industrial goods belt stretching from Singapore, Hongkong, Talwan and ending in South Korea and Japan. The box is ideally suited to Hong Kong's cargoes and it really is the only effective way for them to reach their main destinations in Europe and the United States. However, conferences on the subject have proved continually to be a problem—with the Far Eastern Freight Conference's

Eastern Freight Conference's monopolistic practices and the chaos exhibited by the agreements governing the Pacific routes—in short the extremes in conference practices. Shipper's Council disputes with the FEFC over freight rises are as common as Mohammed Ali's retirement announcements and "consultations" between the "consultations perween shippers and conferences are still far from being bargaining

It has long been a theory in the expatriate shipping com-munity that as soon as China opened up, Hong Kong's importance as an extra port in South centre would wane. With U.S. ecognition of China and the

SHIPPING

GEORGE LAURIAT

"four modernisations" economic programme, China has begun the long and labourious process of pecking its way out of its revolutionary shell. Hong Kong's role in this pro-cess has become more clearly defined over the year and its role in shipping is even more

important than previously. The Chinese have begun building a large ship repair yard on Tsing Yi Island (industrial area) which will serve as a repair centre for the numerous Chinese ships that are repaired and fitted out for service in Hong Kong

Although Hong Kong has always been the base for the "offshore" Peking - controlled shipping companies, it appears that these companies, at least in the short run, will increase in importance. China Steam Navigation is the senior offshore shipping company acting to co-ordinate the dozen smaller companies that operate with varying degrees of independence in Hong Kong and Macao. The most active company is Ocean Tramping which buys most of the secondhand vessels and fits them out for "sale" to China

Ocean Shipping Corporation, the national flag carrier. Perhaps the most interesting development for local shippers is that China has been seeking out more local (Chinese) shipping expertise and that with the development of containerisation in China, some local lines are likely to get a larger slice of the movements.

heen diminished - though this 1980

strengthened over the

The international community with a membership that included the world's largest shipowner. Sir Y. K. Pao. his rival C. Y. Tung (approximately No. 6 in the world), and smaller companies such as Wah Kwong Shipping, P. S. Lee, and International Maritime Carriers. has great influence in world-shipping.

Hong Kong's international shipping was built largely as a result of the "Shikumisen" of tie in arrangements with the larger Japanese shipping conpanies such as Japan Line or Sanko,

However, after the near col-lapse of Japan Line it was obvious that the Shikumisen era was over and that owners would have to find a new investment mechanism. Recently, Hong Kong companies have been buying European second-hand tonnage (some of it on charter back arrangements) which prompted one large owner to quip at a Norwegian meeting that "Hong Kong is the salvation of Norwegian shipping."-Hong Kong investment does

not represent the salvation of anyone's shipping but the Community is for the first time taking an active role in international shipping organisations—Y. K. Pao is the present president of Intertanko.

Hong Kong owners seem lass inclined now to invest in European secondhand tonnage on some kongtern arrangement.

The regional trade once the strong point of Hong Kong's with developing countries shipping community, has long been falling off as a source to keep the feet related and formal feeder type services. It is to make to keep the feet relatively of the calls in Hong owners—although not their keep their importance had bankers—feet will happen in hom diminished—though this 1980.



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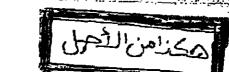
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Time gap bridged

IN THE early hours of the British morning, one group of Hong Kong commodity dealers is making the world price that Kuropean desiers are eager to learn even before breakfast, while another group could be thought to be as dormant as the Liverpool cotton traders and Paris sugar merchants who are sound asleep in their beds.

The local Kam Ngan gold market has shed its image as a trend fellower whose only im-portance was the volume it turned over. Increasingly over the past four years flong Kong has established itself as an integral part of the world's 24 hour gold market, where trading never stops. Hong Kong bridges the gap between the close of the North American day and the start of the European session some seven hours later.

To traders on the two-yearold Hong Kong Commodity Exchange, the daily turnover worth currently nearly US\$ 300m and the eminence of the 68-year-old Kam Ngan are mouth-watering. To say the cotton and sugar markets are quiet, as the official report often records is a vast understate-ment—dead would be closer to the truth," said one commodity trader who spends most of his day reading the newspaper and dealing with correspondence, not with cotton futures. In some weeks no business is done in either market, and the future of the exchange is now causing great concern to the floor

Insiders reckon there is only enough money to last another year before the exchange will have to impose fees to meet running costs. Traders are known to have told their head offices outside Hong Kong that offices outside Hong Kong that they can write of their SHK100,000 seat money. No return is in sight. Faced with the not unusual spectre for new markets of little interest, the exchange committee has one final hope—gold What has made Hong Kong a world centre, ranking after only London, Zurich and New York in the gold spot market; the committee gold spot market, the committee hopes can be repeated with the same success in the increasingly popular gold futures market, which in 1978 alone rose from eighth to third place in the volume of commodity futures traded in the U.S.

Hopes for salvaging a future for the Hong Kong commodity market seem likely to be determined not by traditional market forces, but by personal and vested interests. Understandably the Kam Ngan fears it will Meeting such a deadline is lose some of its profitable gold certain to be traumatic given market also trade the precious four exchanges to merge, a This quadripartite structure metal, so beloved by Chinese reluctance which has led to a is, however, partly a legacy of over the centuries as a hedge against, both economic and political instability.

The vice-chairman of the Commodity Exchange, Mr. Woo Hon Fai is also the powerful chairman of the highly success ful Kam Ngan exchange. Known as Hong Kong's statesman for gold, Mr. Woo is widely respected for his efforts to drum up international interest in the ... Outsiders would be justified exchange: even South Africa in thinking it extravagant and has fetted him as a guest of rather self-indulgent for Hong honour. Nothing can affect the Kong to boast four stock success of the market which exchanges the Hong Kong still conducts its business in Stock Exchange, the Far East

COMMODITIES

HUGH PEYMAN

Chinese dialects and trades its unique spot contracts, which unique spot contracts, which can be rolled over indefinitely giving a de facto quasi futures contract denominated in Hong Kong dollars and measured in traditional taels (one tael equals 1.191 ounces).

But Mr. Woo has his enemies, and his market is criticised for wanting to monopolise the profitable gold trading. His opponents, and the proponents of a gold futures market, argue that the Kam Ngan has nothing to fear from the creation of another market. They say it will complement the spot market and stimulate even greater in-terest in the metal. But the very traditional members of the Kam Ngan are not convinced by these arguments, and seem determined to hold on to their privilege of dominating gold trading. Many of the neutral parties in the middle of this dispute—the international bul-Tion dealers representing almost all the major European and North American traders—feel that there is no need for an-

the Government, but supporters officials of the Commodity of the idea say it will only be Exchange acknowledge has a matter of months before Hong Kong adds another string to its own judgment. tion and instability and so widen trading bow. Quite rightly, The market did not open at the service of the Colony's traddefenders of the scheme say gold a propitious time for local ining community?

futures is the strongest market yet to be suggested for Hong Kong. They are also correct in saying it is too soon to dismiss the viability of the sugar and cotton markets. A devastating hurricane had to criss-cross Cuba five times before the London sugar market took off, after years of lethargy. But observers note that local investors here are unprepared to wait much longer for the markets to prove themselves. Failure so far has been due to a combination of

factors, some uniquely local and

some that would apply anywhere

in the world. Virtues

The cotton futures market has failed largely because the all-powerful Shanghainese cotton spinners were not sufficiently consulted at the outset. The one group that could give the market substantial volume has boycotted the market operated by their "country cousins" from Kwantung and continue to buy in the open marother market.

Formal application for the opening of a gold futures market is right. The virtues of heaging future deliveries are unappreciated by the group that even officials of the Commodity acknowledge has done very well by relying on its

vestors. They were faced with a permanent downturn for half a year, which could be profitable to seasoned operators, but was a costly introduction for most new investors, who would have welcomed a market surging on a

buil run. One failure that has attracted little attention and has caused its organisers no worry is the Kam Ngan's silver market, which resumed trading last summer for the first time since the Japanese occupation of Hong Kong in 1941. An unnecessarily cumbersome delivery contract resulted in the initiative being still-born, but with ever increas-ing interest in the barometer of financial and political anxiety. gold traders have had no cause to complain about this minor failure.

But dealers on the futures market will be desperately anxious that their prayers are answered and that gold will soon be their saviour, for at the moment the futures market has earned the reputation of being a loser, and that is a tag which could be difficult to shrug off if gold fails to be the solution

to its problems. Hope for the future derives from a simple statistic: at least 10 to 15 per cent of North American gold futures turnover comes from Hong Kong. But such thinking could just be too simplistic. Asia consumes 30 per cent of the world's cotton. but this fact has not made the Hong Kong cotton market a run-away success. The question remains, can the Hong Kong Commodity Exchange cash in on the Chinese hedge against infla-

Merger deadline

BEFORE THE end, of current session of the Hong Kong Executive Council, on August 1, the Government is expected to set a deadline for the merger of the Colony's four stock exchanges into one. This should quicken the so far snaillike pace toward voluntary merger, Since it is widely expected that the deadline will be January 1, 1980...

business should a futures the obvious reluctance of the market also trade the precious four exchanges to merge, a of one single new body, it is difficult to see how their differences can be reconciled and practical problems of accommodation overcome.

STOCK EXCHANGE

ANTHONY ROWLEY

Exchange. Exchange—when much bigger agreement of the capital market centres elsewhere support only one.

This quadrinartite structure great deal of foot-dragging on the great stock market boom of their part since the Government 1972-73, which brought some of 1972-73, which brought some of began pushing for a merger the exchanges to birth and early in 1977. Short of a would have spawned more had liquidation of the four existing not securities legislation been institutions and the formation brought in outlawing further stock exchanges-just when a fifth was about to be formed.

It is also a reflection of the fact that enthusiasm for share dealing in Hong Kong can reach almost hysterical proportions at times, as shown by the fact that turnover reached a combined several billion Hong Kong dollars a day in the boom seven years ago. Betting at Hong Kong's two racecourses is also said to greatly exceed that on British courses— another manifestation of the Colony's gambling mania.

Even so, few people inside the securities industry here would argue that the present four stock one, and thus high costs for exchanges, with their combined membership of just over 1,000, are justified by turnover levels, which now represent only a fraction of the 1972-73 levels, and which did not rise much and which did not rise much above HK\$ 300m a day during he mini-boom last year. Whether rationalisation needs

to go as far as proposed by the Financial Secretary, Mr. Philip Haddon-Cave — principal advocate of the one exchange structure—is not, however, something upon which there is equal agreement.

Step

There are plans in existence already for the Far East and Kowloon exchanges to share trading floors as a first step towards closer union, and possibly full merger. The Kam Ngan and Hong Kong exchanges are expected to follow suit, so that eventually the existing exchanges should be operating on two instead of four floors.

Many brokers argue that this partial merger of the four exchanges effectively into two units is as far as rationalisation needs to go, partially if the initial links develop into full mergers. Given inter-exchange mergers. Given inter-exchange should be two classes of trading, which exists in Hong membership—full membership Kong already, and the unification of trading and listing latter carrying trading rights rules which is planned, the but not full membership rights. four exchanges will be as one This is meant to provide for anyway, the brokers argue.

Haddon-Cave indicated, however, that nothing trading phases. This might also short of one exchange will protect the position of such satisfy the official desire for people as the lawyers and rationalisation. In his budget accountants who bought seats speech earlier this year he complained there had been "no Securities Ordinance 1974 tangible evidence" of voluntary forbade them to do so, but it unification.

securities industry) has advised examined is for a third class of that legislation to bring about member: overseas brokers:

Kowloon unification formulated as far Exchange and the Kam Ngan as possible with the advice and exchanges, should be duced: and the Executive Council has now advised that legislation should drafted. Accordingly, a bill will he introduced into this council later this session." he said.

The Government has argued that a merger of the four exchanges would benefit shareholders in listed companies and brokers, as well as enabling the regulatory authorities to administer a less erratic market. It would also eliminate difference in trading and listing practices.

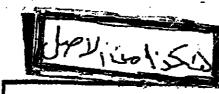
But brokers remain sceptical of the cost benefits which Mr. Haddon-Cave has pointed to in justification of his pressure for a merger. The more wealthy exchanges, such as the Hong Kong exchange, which derives a good deal of its income from investments, foresee a sub-stantial leakage of capital from

Hong Kong stock exchange argued in discussions last month with securities commissioner Uisdeen McInnes that unifica-tion should be brought about through liquidation of the existing exchanges. They also urged the introduction of a high admission fee for membership of the new exchange in orde to encourage only professional brokers to join.

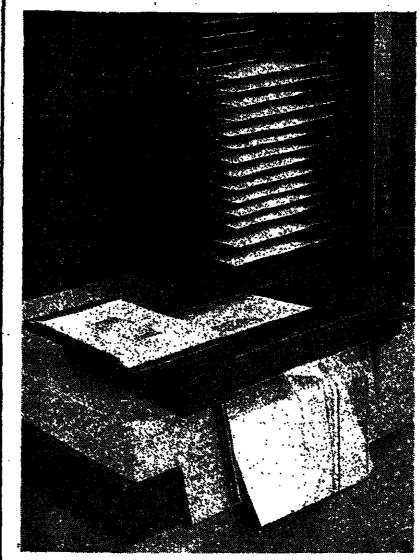
The Hong Kong exchange members argued at this meeting that full unification should wait until it was possible for the new single exchange to carry out trading on one floor.

The Securities Commission is currently drafting papers on various procedural obstacles to be overcome on the path towards unification — and possible solutions. These papers will form the basis of submissions to the Government before legislation is introduced. As an alternative to the view

that membership fees should be pitched high so as to encourage only "professional" brokers to join the niw exchange, a proposal being studied is that there smaller brokers who do not do has much business outside peak would hardly enhance the pro-"In the circumstances, the fessional image of the Hong Securities Commission (the Kong stock market overseas, official watchdog of the One further suggestion being



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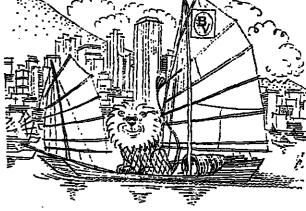
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Pressure from new economic forces

future industrial diversification rarely seen elsewhere in the

Few countries in the world are so dogmatically committed to the principles of free trade. Along with that commitment goes an extreme reluctance to allow any Government role in the industrial process. The ardent belief among Hong Kong industrialists is that their own and their employees' interests and their employees' interests are best served by leaving them unhampered to respond to market forces. They traditionally pride themselves on being faster to see and exploit new opportunities than any of their international competitors.

reflected this zealous view when ruary 28, Financial Secretary he said: "This place moves so Philip Haddon-Cave, emphasised fast that the reality of our trade, its direction and the products we set up "within the context of make, will always he ahead of any government report. Lots of market-based free enterprise meetings have been held, but back here on the farm, diversifi
He pinpointed increasing procation proceeds as it always has in Hong Kong — by natural

Len Dunning's view is well to become the world's leading Kong industry itself. watch exporter in volume terms. In fact Hong Kong's industry rising wage bill has squeezed Similarly, the alacrity with trialists seem to be coping with which Hong Kong's toymakers their usual imaginative panache.

ture in Hong Kong.

premises in Hong Kong.

conservation.

Away from the madding crowds

Central's sidewalks and thoroughfares.

pedestrian podium around the building.

will be the speediest ever in Hong Kong. A great deal outside the office

Flexible offices

sively independent industrialists are welcoming this Government interference" as they become increasingly nervous about economic forces at play which they alone cannot handle.

Six years to 1970 Hong exports rose from nothing to be worth HK \$937m a year. By 1974, the fad exhausted exports had withered to a meagre HK \$41m. No one mourned no one ever does in mourned; no one ever does in

Against this backdrop, the Government committee—for-mally known as the Advisory Committee on Diversification seems more and more anachronistic. Indeed the anachronistic. Indeed the is controlled by quotas, and Government itself insists it has where there is a loophole our no intention of telling Hong exporters will find it. Adam Kong businessmen how best to Smith lives." Hong Kong's Trade Develop- forces demand or encourage it. important force behind the ment Council, appropriately In his budget speech on February 28, Financial Secretary Hong Kong's risks and perhaps more thought the release of the our general commitment to the

tectionism in the West as a ing industry alor major reason for creating the 100,000 workers, committee. It is true that Rising wage quotas imposed mainly on texsupported by industrial precedint in Hong Kong. In the rapidly expanding electronics industrialists a number of head-sector, the growth in electronic aches. But there is no hint that aches. But there is no hint that in order to maintain sufficiently watch exports is staggering; Government might better be high levels of production.
Hong Kong's producers have in able to overcome the problems secondly, this has lead to a five years come from nowhere created by quotas than Hong need to invest more heavily in

THE APPOINTMENT of a Government committee to advise that they are now world leaders rose by 6.4 per cent between Hong Kong's business barons on in electronic toymaking is 1977 and 1978. While exports 1977 and 1978. While exports to the U.S. (Hong Kong's may seem to be an attempt to teach grandmother to suck eggs. But many of the colony's agressively independent industrialists the six years to 1970 Hong Singapore and the Philippines) rose by anything from 18 per

cent to 51 per cent. While the quantity of certain exports was limited by quotas. exporters compensated by "trading up"—exporting products of higher value, which carry larger profits for every item exported —and by switching into clothing not hampered by quotas—like fur, leather and PVC clothing. The volume of fur garments exported in 1978 was 80 per cent higher than 1977, while leather clothing exports rose 22 per cent by volume.

Len Dunning noted with elish: "None of these products

At the root of this is an acute labour shortage. Hong Kong's total workforce consists of 800,000 people, but Jimmy McGregor, Director of the Hong Kong Chamber of Commerce, claims that manufacturing industry alone is short of

Rising wage costs and the labour shortage have had three important effects on Hong Kong industry. First, industrialists have been forced to mechanise need to invest more heavily in worker training. Finally, the

Now soaring office blocks

in Hong Kong needn't mean

soaring office rentals.

INDUSTRIAL DIVERSIFICATION

DAVID DODWELL

margins of profit. At the same time there are

evere limitations on Hong capacity for diversifica-An acute shortage of accompanied by high population densities, rules out heavy industrial development, or the adoption of pollutive

industries. Hong Kong has traditionally been a copier of technology rather than an originator of new technologies. It has neither the cash nor the institutions necessary for original research, so must continue to rely on its imaginative exploitation of existing technologies.

Training

A third constraining factor is the limited skills of the Hong Kong workforce: standards of education are constantly improving but only a small proportion of students stay on beyond the age of 16 for higher educa-tion or technical training. Very few employers are prepared to invest heavily in training their workers.

A fourth constraint on diversification is the rising cost of speculative investment. Many new industries demand heavy investment in sophisticated technologies, while the risks of failure are as great as they ever

When all of these factors are taken into account, the pressing make them any easier to live need for Government interven- with.

products which offer bigger tion in the form of an advisory committee on diversification is easier to understand.

While protectionism quotas are problems that Hong Kong industrialists are familiar with, and able to cope with unaided, the same does not apply to problems that have arisen because of labour short-ages and increased mechanisa-These are problems best tion. These are problems best tackled by a central authority. While they may eventually be handled by an Industrial Development Council modelled on the Trade Development Council which already exists, Government clearly has to take the first move.

The committee on diversification was due to report last autumn, but its progress has been badly delayed. Financial Secretary Philip Haddon-Cave claimed in February that just two of the six sub-committees set up by the main committee had so far reported (these subcommittees comprise country studies, vocational education and training, land, industrial development, financial facilities and shipping).

Government officials now predict the report will be ready by autumn. Until then industrialists will continue to live by the jungle laws they know so Many remain sceptical about the government's ability either to change the laws, or



The growth of Hong Kong's electronics industry has been phenomenal Above: Workers assemble computer-printed circuit boards at the Amper Ferrotec factory.

Building continues at frenetic pace

"HONG KONG will be a beautiful place, when they stop building it," wrote Han Suyin in Love is a many splendoured

Nearly 30 years later, building continues to change the face of Hong Kong at the same frenetic-pace: and the prospect of the colony ever enjoying the beauty promised, when its population was just one-third of its present size, still seems to be a mirage.

A three-year boom has catapulted land and property prices into previously undreamed of heights, while boosting corporate profits so much that the whole stock market took off last year on the back of property earnines.

Experts, whose own rents have probably nearly doubled in the past year, are wary of predicting the end of the boom - they have been wrong several times already — but market fundamentals suggest that the

peak is in sight.
-Within the next 12 months prices will probably dip as be surprised if prices fell by up to 20 per cent for small flats (which comprised 93 per cent of new flats built in 1978) and 10 per cent for mediumsized properties; only very large units are likely to hold into their present value as Hong Kong continues to attract cor-porations to locate their regional headquarters here and because very few new units are

built in the luxury sector. Good communications. low taxation, location, developed financial and commercial facilities, still give Hong Kong an edge over such other rivals as okyo and Singapore.

The granting of new banking licences last year boosted the top end of the housing market with rents leaping upwards between 50 and 100 per cent to

promises to attract_even more executives to Hong Kong. But, so far, very few moves have been made, most companies interested in developing their China trade are waiting to see if the present policies and leaders in Peking are as durable as their plans are ambitious.

Dividends for Hong Kong property developers will have to wait to be reaped, and even when traders successfully beat their way to China's door, it is uncertain how much of this trade will be done through Hong Kong.

Worldwide Sinophilia has not yet created any vast demand for Hong Kong property.

Two records were set in the property market in the past year. Nearly HK\$1,400 per sq ft was paid for a central development site (by a group of South-East Asian overseas Chinese); in the property sector, flats in a block of luxury apartments were pre-sold for HK\$1,200 per so fr

per sq ft.
Such dizzying statistics can blind the optimistic property bulls into believing that these prices will be new benchmarks, to be surpassed in the near future. Soaring interest, rates which have virtually trebled in the past year with prime now at 13 per cent, combined with higher property prices make buying a new flat an in-creasingly difficult proposition. Even small flats of 400 sq ft cost up to HK\$700 per sq ft, while larger areas around 750 sq ft cost over HK\$500 per sq ft. Such outlays dent considerably most young families' incomes.
With mortgages at present rates,
purchases will tend to be
delayed until either interest PROPERTY

HUGH PEYMAN

the mortgage front there is Government will admit them. little sign that relief is at hand " with U.S. prime rate firmly in this year is likely to be just double digits and the local half of earlier forecasts, partly currency weakening.

Private developers are investment in office rental expected to build 30,335 new development units this year and 31,270 in The skyline of central Houg 1980, compared with 26,230 in Kong will look considerably 1978, which with 41,000 units different in a couple of years time. Some analysis wonder if

the highest figure since the last-boom peak in 1973. With this upsurge in activity supply increases to meet de-mand. Some analysts would not and the Government committed he surprised if prices fell by to further boosting its building programme, even the strongest bulls should hesitate and reflect on where the new demand will keep on coming from. Even with Hongkong's population. expanding, and incomes rising, it will take a large slice of new demand to absorb all this property at present prices—and the signs are that new sales are meeting resistance.

Hopes that the recent influx of immigrants from China and the flow of Vietnamese refugees will help prop up the property market appear to be over optimistic.

Few arrivals are able to afford private property and even people in overcrowded Government housing have little choice but to squeeze up fur-ther and continue to pay the ther and continue to pay the Yet such thoughts are put relatively low public authority aside during the honeymoon rents; the high priced private with the new masters in Peking

rates or prices come down, or they are much more likely to to the hard-pressed purchaser, want to buy real estate in hopefully both. However, on Houston, Texas, if the U.S.

The supply of new office space due to the deferment of projects Building keeps on apace. The in Shenng Wan which suffered Government forecasts that by from a lack of confidence this year's end the housing stock generated by previous high will have risen by 15.6 per cent levels of vacancy and higher in the past two years. investment in office rental

completed in both sectors was time. Some analysts wonder if growth of office construction will cause a dip in developers' profits since an estimated come on to the market in and around Central within the next

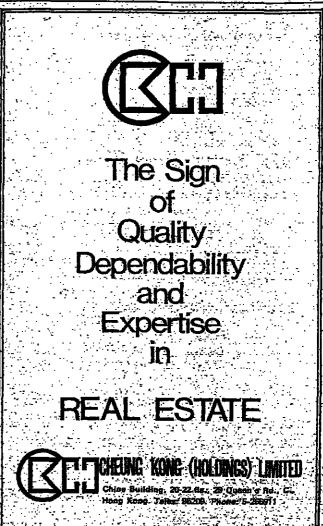
12 to 18 months. By 1981, the value of China to Hong Kong will have become If the modernisation drive boosts foreign trade and prosperity rules in the Asian Pacific region, then this crowded tip of Southern China

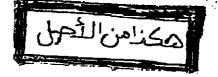
will be increasingly attractive.
But if the managers of the economy of a quarter of mankind decide to head in a more insular direction and unsoothing noises are made about the New Territories lease (which expires in 1997), then that fragile, but crucial factor in the Hong Kong equation - con-

capital will flee the colony. take advantage of demand from executives.

Washington's recognition of Peking, combined with China's economic modernisation thrust, promises to attract even more -seut property values crashing







Textiles stay buoyant

Restrictions on exports of

basic textile products, such as

AS THE tide of refugees, not (£190m) while those to Gerjust from Vietnam but from many were up 18.6 per cent at China as well, continues to HK\$2.6bn and those to the U.S. press on Hong Keng, the per increased no less than 40 per formance this year of the cent to HK\$6.3bn. colony's textile industry is In the first three mostles of

nearly half the lebs in many facturing employment—and nearly half all exports—will come from tertiles and clothing. With Hong Kong established as the higgest garment exporter in the world, the sector has created much of the wealth that has helped to improve living standards in Hong Kong to their present level, and it will be to textiles and clothing that many of the more recent immigrants

For this reason, therefore, the relatively strong performance of the sector over the past year, and the reasonable prospects which most manufacturers see ahead is one source of relief for the hard-pressed Hong Kong

Last year, following a dip of In garments, this picture is 2.7 per cent in 1977, exports of much the same with many garments rose by 13 per cent groups short of labour, in value to HK\$15.7bn (£1.57bn) It is a performance achieved as a result of rising demand in despite increasingly tight quota the colony's three main markets. restraints on virtually all Hong Exports to Britain, now Kong's most important exports.

Major markets (in

order of importance

Fed. Rep. Germany ...

Canada

Japan -

Netherlands

in 1978)

Local Control of

HONG KONG GARMENT EXPORTS

4.569.2

2,669.1

(32.0%)

(18.7%)

(12.6%)

(5.2%)

(2.9%)

419.2

548.5

- 382,6

(2.9%)

(3.8%)

(2.7%)

2,741,8

14,288.0

(100%)

(19.2%)

415.1:

1.794.7

8,147.8

(30.8%)

(19.6%)

1,587.4

(15.6%)

401.3

(8.9%)

(81%)

272.4

348.2

(34%)

308.3

(3.0%)

1,826.3

(27.9%)

10,201.5

(100%)

"ments, (Exchange rate : UK\$10.3 = £1.)

in brackets denote percentages of total demestic experts.

1,997.1

assuming more than its usual this year garment exports rose significance.

For despite diversification with the same period in 1978, into a range of other industries, and those to Britain were up by nearly half the lebs in many. 83 per cent.

facturing employment—and. The pettern in textiles—the nearly half that strength and fabric same and fabric.

production of yarns and fabric has also been one of recovery from the poor year of 1978 when demand for textile products fell off around the world. Hong Kung's textile exports last year rose from HK\$2.7bn in 1977 to HK\$2.9bn, though this was still seme way short of the record HK\$3bn in 1976.

of the more recent immigrants. During the rest of this year, will be looking for work. demand for both textiles and clothing is expected to remain strong. Though, in textiles, there are some complaints that yarn and fabric prices are being depressed by low cost imports from other Asian countries most manufacturers are working at or near capacity.

Exports to Britain, now Kong's most important exports, subject to tight quota controls, though some would say it is also rose by 12 per cent to \$1.9bn partly because of these.

5.426.5

2,191.3

(39.0%)

(15.8%)

1.535.2

(江0%)

(3.8%).

(2.9%).

(2.7%)

(3.0%)

402.0

380.0

419.3

314.9

(2.3%)

2,713.9

(19.5%)

13.908.5

(100%)

6,267.6

(39.9%)

.2,607.9

(16.6%)

1.904.

(12.1%)

(3.5%)

(2.7%)

(2.3%)

(2.3%)

2,690.2

(17.2%)

353.5

· 536.6

cotton yarn and cloth, first introduced more than 20 years ago and tightened at intervals since, have resulted in a decline in size of the textile sector (as opposed to clothing) over recent years, and with competi-tion from newer textile prowhich now employs 68,000, has, however, moved increasingly into higher quality yarns and fabrics and thus over the past year has been able to take tries.
advantage of the fashion swing The towards finer materials in women's wear.

Many textile groups have also expanded their garment activities, but with new restrictions being introduced since the mid 1970s on garment exports, too, this sector—current employ-ment 240,000—has also moved up-market in order to maximise the value of the quota assigned to it. This has meant producing better quality shirts, fancier knitwear and more fashionable

As in the past, the colony has also been quick to spot areas free of quota control. It is now a growing exporter of top quality furs and leather garments, and has also moved into other clothing accessories.

Although restrictions appear even to have had a beneficial effect, by sending Hong Kong manufacturers into up-market products where the returns are higher, there remains considerable concern over the longer term implications of continued quota control, and a new appeal to the EEC to reconsider the arrangements it negotiated with Hong Kong at the time of the renewal of the GATT Multi Fibre Arrangement in December, 1977, has recently been made.

The key point now being argued by Hong Kong is that the world trading system is being distorted as a result of quota control and that the benefits which were supposed to flow to the less developed countries as a result of tight restrictions have not materialised.

Discriminate

two years 1977 and 1978 total imports of clothing into the UK rose by 35 per cent. Those from the EEC, however, rose by 66 per and a sine and else or classing

TEXTILES

BY RHYS DAVID

ducers growing this process is cent and those from Meditercontinuing. The textiles sector, ranean suppliers by 62 per cent, with the result that these two blocks were both able to increase their share of the UK market at the expense of developing coun-

> The Hong Kong authorities also argue that the quota system discriminates between developing countries, perpetuating existing market shares. Thus, Hong Kong, as the biggest supplier, has been given the biggest quotas.

build up their textile industries run into quota restrictions at a much lower level, and are not able to emulate Hong Kong's growth as a supplier. In effect, it is argued, quotas, with their built-in annual percentage growth rates, lock individual suppliers into their present rank-ings on a permanent basis to the advantage of those that have already achieved a strong position. They also lock suppliers into the products they are already supplying.

There are other problems with quotas which also concern manufacturers, in particular their effect on costs. The system for allocating and transferring quotas among manufacturers and issuing export licences is handled by a 400-strong team at the colony's Trade, Industry and Customs Department, and the cost of running this service is met out of licences paid for by exporters. To obtain export licences for

controlled products, companies must have quotas and these are allocated on the basis of past export performance. Companies needing quotas can buy them from other companies with unused quota and a widespread trade in quotas now takes place, subject to regulations laid down by the Government.

finding little difficulty in obtaining quotas through this transfer system, the cost can still be The Hong Kong Commissioner substantial on "hot" items such for Trade, Mr. David Jordan, as fame, or where particular pointed out recently that in the short gas occur, or at year ends. The solution came groups of whole promiums to the Terral Elvin companies

While most companies are

serious financial problems for buyers in the UK and other markets faced with sudden increases in price.

The EEC seems most unlikely to accept Hong Kong's sugges-tion of a review of its textile agreement with the colony, and there now also seems every chance of the present MFA agreement being followed by a third phase from 1981. The colony has, with its latest request to the EEC, given notice, however, that it will be pressing strongly for a relaxa-Other countries seeking to tion of current restrictions when the next round of negotia-

tions begins. The industry is also becoming increasingly concerned at other internal pressures which could equally affect its ability to compete in world markets in the 1980s. Major construction projects, such as the Mass Transit Railway and the new towns programme in the New Territories, have attracted away male labour and driven up wage rates (now around HK\$1,000 to HK\$1,200 or

£100-£120 per month). Hong Kong's growth as a regional financial and tourist centre—a process likely to accelerate as China opens up further-is also creating new jobs for women in hotels, banks, offices and shops, where working conditions are more amenthan in textile mills. Though the Government has areas already apparent. The acted this year to cool down the economy, inflation is now running in double figures, again posing a threat to competitive-

With all land in Hong Kong extremely scarce, the cost of good industrial space has risen fourfold, according to some estimates, over the past five years. This has begun to affect the economies of spinning and weaving which because of the weight of the machinery cannot be housed in Hong Kong's multistorey factories. Some textile groups have taken the windfall groups have taken the windfall China's own efforts at indus-profits available from quitting trialisation also seem likely to prime sites and selling them to

The unredictable effects of in textiles and clothing. Most the current would energy crists companies believe that Hong . are another cause for corcert. Kong's involvement will develop .

developers.

to take advantage of a fashion swing towards finer materials in women's wear. Hong Kong itself it unlikely to only slowly and that the profit- of manufacturers developing

The Hong Kong textiles sector, which employs 68,000, has moved increasingly

into higher quality yarns and fabrics. In the past year, the sector has been able

examined. ported supplies at world market **Ouality** Higher oil charges are, how-ever, likely to hasten the steps

which are dependent on im-

towards recession in both the

some time for newcomers to

China to adopt to the pace of

already been automated.

provide Hong Kong with some of the space capacity it needs

dependent

While Hong Kong groups may be slow, however, in establish-U.S. and the UK, on both of ing complete projects in China, which Hong Kong is heavily production - sharing arrangements are expected, in which The response which Hong both partners will share in Kong is likely to make to these added value. Under these, Hong Kong would send in machinevarious pressures is in some made goods which need some continued inflow of migrants hand finishing. Such a developwill go some way to reduce ment would fit in well with the labour shortages, though manu- colony's moves up-market into facturers have found it takes higher quality garments, using extra trim and requiring more sewing operations.

work in Hong Kong's factories With a higher cost structure than its Far East rivals, the centre within Eastern Asia, production of higher value currently the fastest-growing and to achieve the same quality standards. Where recruitment higher margin goods is likely to region in the world. remain the strategy most of As such, it might has proved difficult, many textile companies have already invested heavily in labour-saving equip-ment and this trend seems Hong Kong's groups will want smaller textile industry concento adopt, and parallel with this trating on higher quality goods certain to continue. Many of there are also signs that the but it would be the centre to the more laborious jobs in colony will move increasingly which the region's other pro-textiles and clothing have towards the development of its control book for ideas. own fashion ideas.

suffer directly any more than its ability of cross-border ventures and marketing their own procompetitors in Asia, most of will have to be carefully ducts—has begun to increase.
which are dependent on im- examined.

The target as Hong Kong

moves up-market is likely to remain the West and, in particular, the big three—the U.S., Germany and the UK — which of the colony's exports. For its own protection, however, Hong Kong has been seeking to increase its penetration of other markets, and in particular

All these developments, taken together, perhaps hint at the role Hong Kong may be playing in world textiles in the 1980s and 1990s. While the developed markets of the West will continue to be its bread-and-butter, Hong Kong may well also have o kay regional role as a fashion

As such, it might well have a

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Phenomenal growth

AVertical Setup...







from fibre to garments

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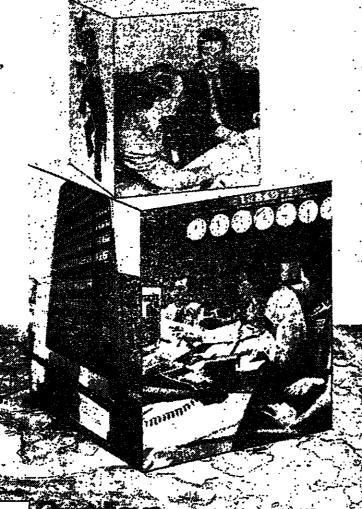
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THE VITALITY of Hong Kong's economy, and the versatility of its industrialists, are remarkable. The colony's electronics industry epitomises these qualities—and embodies at the same time the structural prob-lems inevitable in a small coun-try committed to free enter-

the way that Hong Kong's in-dustrialists have kept up with the hectic pace of technological innovation in industrial elec-tronics, and kept ahead in the fad-ridden world of consumer

On the other hand, Hong Kong's electronics sector is fast losing its competitive edge as labour costs mount. South Korea and Taiwan possess much cheaper labour, and have begun to eat into Hong Kong's markets for cheap electronics. Hong Kong businessmen also increasingly complain that the new technologies of the electronics industry demand a more highly skilled workforce—and that Hong Kong's education system is not yet producing enough workers with appropriate skills.

ook root in Hong Kong as its leaders worried over the economy's over-reliance on tex-tile exports. It flourished because labour costs were low and because Hong Kong industrialists, always fast on their feet, were willing to switch smartly into novel areas of production as soon as opportunities became apparent. Today electronics is Hong Kong's second men boast that they can see openings—and exploit sooner than anyone clse.

The electronics industry first

The industry is still young, but its growth has been pheno-In 1959 Hong Kong boasted just two radio factories, exporting products worth HK \$100,000. Twenty years later, 800 companies produce everything from micro-circuits to home computers, exporting goods worth HK \$6.45bn.

Hong Kong's electronic watch industry vividly illustrates this growth. Electronic watches were virtually unknown before 1970, and Hong Kong's role as watch exporter was modest. In 1978 the colony exported 20.2m watches, worth more than HK \$1bn. In volume terms Hong Kong is now the world's leading watch exporter. Switzerland, which is still the world's leading watch exporter in value terms.

1975, two years after Hong from Swiss and Japanese pro-Kong's watch exporters entered ducers and will always rely on

ELECTRONICS

DAVID DODWELL

cent (all in value terms). By 1975 Hong Kong had won 4 per cent of the UK watch market: by last year this share had risen to 28 per cent. In volume terms Hong Kong is now the UK's leading watch supplier, with a 40 per cent market share. Hong Kong's success was in copying a new technology, and exploiting cheap labour to launch the resulting product on a mass market. The average wholesale price of an electronic

watch from Hong Kong is HK\$50 -about £5. The same ploys won success in the export of radios, games and electronic toys. Radios — ranging from the simplest transistor through car radios to radio clocks—still provide Hong Kong with more export revenue than any other electronic product—HK\$2.2bn in 1978. While dramatic growth is a thing of the past for this well established industry, exports grew by a respectable 23 per cent between 1977 and 1978. The colony's formula for

export success has its draw-nacks, however. As long as its products are aimed at a mass market, then low price will be the retailer's first consideration. This inevitably means low profit margins, which inhibits heavy promotion through advertising and limits research and development. Two distinct consequen ces are, first, that Hong Kong products remain anonymous to most buyers, and secondly that Hong Kong producers are trap-ped into a parasitical reliance on research conducted by other companies in other countries. As electronics technology becomes more sophisticated, this

All of these factors have conspired to prevent Hong Kong producers from breaking into the "quality" end of the elec-tronics industry. This has only become a worry since labour costs began to rise, and cheaper producers also exploiting "copy technology" have begun to edge into certain of Hong Kong's traditional export sectors.

dependence becomes more abso-

must sorely regret its late interest in electronic watches.

The erosion of Switzerland's supremacy as the world's watch-makers as the world's watch-makers as the world's watch-makers. Swiss watchmakers still maintain a firm grip on the quality end of the watch market. Though Hong Kong producers

the more modestly priced Liquid Crystal Diodes (LCDs) for the bulk of their export income.

had fallen to 68 per cent, and in 1978 had slumped to 30 per The absence of any domestic The absence of any domestic research has resulted in serious problems for TV games manufacturers. They started three years behind U.S. producers who had conducted the original research; by which time the attempted export launch into the U.S. was doomed to failure. After a flurry of interest over the Christmas of 1977, sales in Europe have also been disappointing.

of the TV games exported from Hong Kong were rejected on quality grounds, and some Hamburg importers complained they had to jettison between 30 and 40 per cent.

These early TV games offered a very limited range of possible uses, so boredom or breakis uses, so boredom or break. Hong Kong is losing out to down put an early end to the South Korea and Taiwan Ailen fad. Hong Kong exporters have Lee claims—and for one major to quality control, and the latest range of TV games is much more with its domestic industry is subtle possibilities. But the failing to provide the industry initial disaster of Christmas with support and services in much more wary.

Prospects

A recent report by Hong Kong Trade Development Coun-cil predicts a "strong decrease" in the sale of TV games in West Germany, where severe price competition means that hardly any profit can be made." Similarly, prospects in France, for the latest programmable and computer games are "not very promising" — mainly because importers who had their fingers burned in 1977 are reductant to take fresh risks.

While consumer electronics? have attracted most of the headlines, and make up 70 per cent the autumn. It is this commis-of Hong Kong's electronics ex- sion which will provide the supports by value, industrial electronics make an important claims the electronics industry contribution-not least because they are not subject to the erratic whims of fashion dominating the watch and TV games markets.

Typical of this sector is ever Hong Kong's industrialists Ampex, a wholly owned sub- have traditionally thrived by sidiary of the U.S. company of promptly responding to new UK market. In 1971 Switzerland and most expensive electronic a range of products from com-report is likely to be published supplied 87 per cent of the watches, electronic analogues, puter memories to mini com- a year behind schedule — and they face severe competition puters and testers. Two recent many a Hong Kong businesses. puter memories to mini com- a year behind schedule — and puters and testers. Two recent many a Hong Kong businessman coups "for the company have would have lost his shirt if he

puter memories for Ho Kong's new Cable and Wirele telephone and Telex exchange Lee, recorded a 20 per ceal of port growth in 1978. In the respect it is untypical of the fered a 0.7 per cent fall he export sales in 1978.

Allen Lee, in addition in running Ampex is chairman of Hong Kong General ber of Commerce Chamber of Commerce electronics committee and chamman of Hong Kong's Electroni Training Board From the vantage point he is far from happy about the state of the

He points out fligt Rens Kong's electronics con are still confined to pr the simplest inputs into the industry—in radios, calculature Severe price competition industry—in radios, talentaris meant poor quality control. In and consumer electronics, the West Germany about 10 per cent multinational electronics conand consumer electronics. The multinational electronics conting to Hong Kong more suphisticated electronic technologies have simply not been attracted to discolony. Where he asks, are the specialist activities like production of measuring instruments or medical electronics?

and laissez faire are over. Allen Lee said. "That doesn't mean government should be in volved in directing industry that would be too much involve ment. But we need help in training, providing skilled labour, providing facilities for research and development. We need a body able to examin industrial strategy over a long period, to guide the industry and help it to co-ordinate its

At this very moment Hong Kong's Government Commission inquiring into industrial divers fication is preparing its final reports before publication in port framework that Allen Leaneeds if the industry is to get support at all. Allen Lee is not altogether

confident about the Diversifica tion Commission's inquiry, how been a U.S. military contract, had been similarly slow.

Still ahead of schedule

LONDON'S OXFORD Street station took five years to build. Hong Kong's entire 15-station, 15.6 km underground railway will be completed in four years. Vire la difference, says Mr. Norman Thompson, chairman of the Government-owned Mass Transit Corporation (MTR) and is the Colony's "Victorian, no-nonsense" approach to work and profit. Either because of Hong Kong's conditions and attitudes or the efficacy of the Taoist priest who presided over the inauguration of work on the HK\$ 5.8bn railway, the project is under budget and ahead of schedule. This is despite foreign exchange losses of HK\$200m last year, death threats against members of the labour force by Chinese secret societies, the inconvenience of working in the heart of the most densely populated area in the world and major design changes after construction had begun. Even an initial disaster,

which almost derailed the entire scheme, turned out to be a blessing, according to Mr. Thompson. The Japanese con-sortium which had signed a letter of intent to construct a 20 km railway for HK\$5bn withdrew in December 1974 in the wake of the oil crisis.

Still convinced of the need for a railway—first recom-mended in a 1967 Freeman Fox. Wilbur Smith and Associates transport survey—and with much preliminary planning completed, the Government decided in September 1975 to go ahead with a modified system on a multi-contract basis, which Mr. Thompson believes is ideal for a project of this size. In addition, the world economic reces-

sion meant that major contrac-tors were hungry for work.

Several have experienced difficulties, none more so than the Gammon-Kier-Lilley (GKL) joint venture. GKL's HK\$600m task is to construct two and a half stations and an interlocking network of four tunnels accounting for nearly a quarter of the civil engineering expenditure but only 10 per cent of the total route. Within six months it ran into serious difficulty when it was found that extensive and expensive ground-work treatment was required to prevent buildings in Nathan Road, the Colony's "Golden Mile," from collapsing. MASS TRANSIT RAILWAY

DANIEL NELSON

GKL fell so far behind of frenetic and apparently schedule that the opening of chaotic activity, with engineers the railway in March 1980 was installing sophisticated electribecause his own reputation was on the line, but because the Government has always stressed that the railway must be commercially viable. The target is for operations to show a profit by 1983 and all debts to be paid within a further ten years. Delay could cost HK\$1m a day in lost revenue. in lost revenue. Relations between GKL and

Mr. Thompson became acrimonious, with both hinting that the other was selling them out. GKL submitted the project's largest contractual claim, arguing that it had not been informed of the complex ground conditions which are the root cause of the trouble.

Achievement

Settlement of the claim has now been reached, reportedly for some £11m, and Mr. C. R. Livingston, the project director for GKL, admits that the settle-ment "excited us to catch up." ment "excited us to catch up."
This has been achieved partly
by doubling the labour force
and bringing in additional
equipment, but also by a rapidly
devised engineering design
change and by working on the
two main stations at both ends
and at two levels simultaneously
thus halving excavation time. thus halving excavation time.

GKL expects to complete the job ahead of time, a remarkable achievement considering that at the height of the crisis the Corporation thought it would have to inaugurate the railway and run trains through without stops at the GKL stations, thus enabling the company to carry on work.

The Corporation's concern has now shifted to the electrical and mechanical contracts, which are being rushed through in about half the time originally planned. The scene underground in recent weeks has been one

jeopardised. That was anathema cal equipment in clouds of dust to Mr. Thompson not merely because his own reputation was on the line, but because the Government has always stressed that the railway must be commercially viable. The target is for operations to show a profit popular and lidebts to be paid elbowing each other out of the elbowing each other out of the way. My main job is to keep everyone cool." Once the electrical and mechanical work has been completed, says Mr. Thompson, "the chances are that in terms of design and construction the system has been proved. We should have a fair chance of running through without a great deal of trouble on the next two sections.

The first section will begin operating on October 1 (part of it six months ahead of schedule). The second section is planned to be brought into service in January, 1980, three months ahead of schedule, and the section under the harbour to Central the following Central the following

february.

The phasing will enable the Corporation to test its ticketing and passenger flow system; no railway has ever dealt with as many passengers on a fully automated basis and it would have been dangerous to have

have been dangerous to have opened the entire system at one go.

Government go-ahead for the 10.5 km, HK\$4.1bn Tsuen Wan extension was given in 1977. All but two of the major contracts have been let, all at a fixed price and on the basis of an engineer's design, unlike the design and construct method used in the first phase, because

the same number as are carried on the London Underground which, with 252 miles, is 15 times as long. Initially, fares will range from HK\$1 to HK\$3, a level which the chairman says has taken into account possible wage and fuel cost increases in 1979 and 1980: "These fares should therefore not change in 1980 and hopefully during 1981."

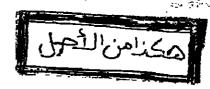
The Corporation predicts gross revenue of HK\$679m in 1981, rising to HK\$1.2bn in 1986, Raising finance has proved far less of a problem than anticipated. There are no im-mediate plans for further largescale fund raising, but the Corporation will have to raise HK\$4bn before 1983 to meet the pre-operational interest charges and loan repayments.

Yen appreciation last year caused the Corporation to cut its losses on HK\$650m equivalent of yen-denominated export credits from Japan. Against this, however, income from property development has been considerably higher than anticipated. The Corporation is developing three prime sites in joint ventures with property companies, the largest consisting of what is virtually a small turn above the main depot and maintenance sheds at Kowloon credits from Japan. Against maintenance sheds at Kowloon

Bay.
There will be 41 blocks pro-There will be 41 blocks providing: 5,000 flats for some 25,000 people, as well as shops, schools, a sports complex, clinic and many other facilities. Already 2,800 flats have been presold, with the proceeds roughly split between the Corporation and its partner, Hang Lung Development and Hopewell Holding. The Corporation's well Holding. The Corporation's own property division will man-age the 467,000 square feet commercial complex. Proceeds from the sale of

Arceseus from the sale villats and from the office blocks in the two other main property ventures have resulted in the addition of HK\$700m to the reserves. Other property index used in the first phase, because of the pressing need to get the pressing need to get the project under way.

The extension is programmed developments are under the copen in 1982. In that year the copen in 1982. In that ye



Resettlement on a massive scale

NEW TOWNS

A BELATED seal of approval Works Department, "planners in hit the following year by the was placed on the new towns Britan draw up their proposals economic recession. This set-when Jardine Matheson, the which are then kept in a drawer back contributed to the dismis-major trading hong, set up for 20 years. Here, work starts sive attitude of those who a New Territories Division. The on the plans even before they considered the new towns move was a recognition of the are completed planners can scheme little more than a economic implications of a not put their mistakes in a grandiose plan, or who failed to policy that will increase the drawer."

The New Town Programme Indication of the acceleration time, 40 per cent of the popula- Government target in 1973 for tion will live in the area, come the provision of homes for 1.8m pared with only 25 per tent people in 10 years.

In traditional Hong Kong space in the existing urban style, a number of Chinese entre areas of Hong Kong island and preneurs were far quicker off Kowloon, it was decided to the mark and are now poised to develop three new towns—Sha least in on one of the largest Tin, Tuen Mun and Tsuen Wan, schemes of its kind in the as well as expanding the "marworld Given the speed of ket towns" of Tai Po, Fanling development, it is not surprise and Tuen Long.

ing that several foreign owned limitally, the aim was to procompanies have only recently duce a 50-50 split between woken up to the potential and public and private housing but, are scrabbling for a piece of in order to keep up with the faction.

In the words of Mr. John Don, final public housing element will director of new territories be closer to 65 per cent.

·Because of the shortage of In traditional Hong Kong space in the existing urban

director of new territories be closer to 85 per cent.
development in the Public Work began in 1973 but was

tories to 2.5m by 1986. By that arose from the setting of a of the programme is given by the figures for resumption of New Territories land by the Government—from 1.56m sq ft in 1975 to an anticipated 36m sq ft in 1980-81. About 50,000 people a year, mostly tenants and squatters, are pushed off the development. land, and become the responsibility of the housing authority.

By 1975, construction was in full swing. Because of Hong Kong's hilly, rocky terrain the creation of the new towns started with land formation, flattening hills or filling the sea. In some places, such as Castle Peak Bay, the two were combined and mountains were

moved into the sea. In Sha Tin the total fill DANIEL NELSON

The cost of developing the town, which legend says once provided the emperor's favourite rice, is HK\$5,000m and that excludes the race course and private

Sha Tin, where the target population figure is 570,000 from 44,000 in 1977, posed special engineering problems because it is subject to cyclonic surge. This meant that land formation had to be safely above sea level. And because it is situated in a virtually land-locked harbour, full primary and secondary sewage treatment had to be organised.

Shanghainese textile mill owners fleeing from the Com-munists in China formed the initial impetus for development in Tsuen Wan, for which the population target is 900,000. Government expenditure in the next 10 years is expected to total HK\$2.890m.

Cost of development at Tuen Mun, an old fishing village would represent a retreat from which will grow from 55,000 the stated aim of creating residents to 540,000, is put at balanced, self-contained communities and, at worst, a return the state of the st 600 hectare extension to the early days of public housing.

A complicating factor in Tuen Mun was last year's approval of the construction of a power station at Tap Shek Kok. This involved a major rethinking of adequate transport links they fore providing full services. the town's potential and a re-would become white elephants. In Tuen Mun, which services. the town's potential and a raplanning of parts of the town. Which some planning of parts of the town. The HK3 493m Sha Tin-Taipo planners see as a potential contrial land were disposed of in year 2,000."

A further HK\$3.000m will be spent on the market towns and rural townships, whose combined population will be taken to 500,000. Some HK\$200m has been cut from the programme in the current financial year, although that still leaves expenditure of HK\$1,300m.

There are dangers in situation, particularly if cutbacks continue, because the setting of priorities will inevitably mean that social aspects of the New Towns and secon-dary features, such as landscaping, will suffer. There is a sizeable market for trees and shrubs, 8.5m of which will be required in the next five years.

Facilities

Since officials admit that the main improvement in the Government's public housing programme has been in the standard of community facilities, a cutback in these facilities the stated aim of creating gations are being made into a to the soulless blocks of the

A slowdown in the road programme would also be prejudicial to the New Towns, Mr. residents Derek Jones, the Environment Secretary, admits that without

Tsuen Wan, one of Hong Kong's three new towns. The target population for

There is also concern over the cost of the electrification of the Kowloon-Canton Railway. originally HK\$400m but now likely to be considerably higher. The rail-way serves a potentially con-Territories, with the growth of Sha Tin and Taipo-Fanling, as well as the increasing road traffic from China, now running

at 150 lorries a day.
Transport within the towns is another area requiring careful analysis of priorities. Inconvenience is caused to existing because transport operators prefer to wait for large population build-ups be-

coastal road was allocated only tainer port with a rail link, the the New Territories, and Budget.

The state of the New Territories, and principle of a light rail system another 60 hectares is expected in the new Territories, and principle of a light rail system another 60 hectares is expected in the new Territories, and the new Territories, and principle of a light rail system another 60 hectares is expected in the new Territories, and principle of a light rail system another 60 hectares is expected in the new Territories, and principle of a light rail system another 60 hectares is expected in the new Territories, and principle of a light rail system another 60 hectares is expected in the new Territories, and principle of a light rail system another 60 hectares is expected in the new Territories, and the new Territories, and the new Territories, and the new Territories is expected in the new Territories in the new Territories is expected in the new Territories in the new Territories is expected in the new Territories in the new Territories is expected in the new Territories in the new Territories is expected in the new Territories in the new Territories is expected in the new Territories in the new Territories is expected in the new Territories in the new Territories is expected in the new Territories in the new Territories is expected in the new Territories in the new Territories is expected in the new Territories in the new Ter Money permitting,

Tsuen Wan is 900,000.

Perhaps the hardest task is keeping a balance between the of it in the New Territories. New Towns and the availability of jobs. Tuen Mun suffers from a labour shortage, although the planners believe this is a temporary phenomenon, while Sha under-provided with industrial land.

The scale of development in the New Towns, even if the growth of the smaller market towns is held back by the Government's financial difficulties, will shift the focus of industrial and to some extent commercial emphasis. In the last financial

the system could be linked to supply of flatted factory space Yuen Long. supply of flatted factory space in Hong Kong averaged 550,000 in Hong Kong averaged 550,000 square metres a year, about half growth of the population in the The forecast for the next two years is 2.5m square metres, of which 1.6m will be in the New Territories. Provisional figures for 1980 indicate a total pro-vision of 1.1m square metres of flatted factory floor space,

> the New Territories. Monumental though this programme is, the planners are The New Town programme

820,000 square metres of it in

will be completed by 1986-87. said a senior planner. must think critically about how year some 54 hectares of indus- we plan Hong Kong after the

Decisions awaited on key issues

port, Hong Kong will be strangled," according to a senior Government official. That would appear to provide a reasonable justification for the project. But despite years of discussion, a decision has yet to be announced.

through the existing airport last year and air freight rose 25 per cent to 229,000 tonnes with a value of HK\$ 14bn. Doubling up the single runway would increase capacity by only 20-30 per cent. A continuation of recent growth patterns would take Kai Tak to saturation by the mid-1980s. At that point, traffic presumably tourists in the first instance —would have to be turned

There are possible alternatives to a straight Yes or No decision to an airport on Lantau Island—including siting the airport in Canton but resolution of the matter depends on settlement of the question of the New Territories confident that if the lease flexible. We must have a series question was settled, the air of possibilities and take port could be built and financed decisions only when we have to." lease. The Government appears from HK\$ 5bn to HK\$ 10bn, New Town, programme, for which could be balanced by the example, will proceed although sale of the prime land on which work on the development of the the existing airport is sited, and income from premiums for the removal of present restrictions

A positive answer looked Government which announced that a decision was expected "early next year." and that a layout plan was being drawn up by Parsons Overseas junction with two other consulting firms and the UK Civil Aviation Authority. Agri-improvement and expansion of cultural land in the vicinity of roads in the New Territories, the proposed site has been although the road-programme-changing hands at three times as a whole will slow down. the normal market price.

In the eyes of many in Housing government, the airport is linked to a second major intrastructure proposal: a bridge joining Lantau to the mainland. As proposed by Engineering Consultants Group of Hong Kong the link is actually three bridges and linking roads: a hop to the small island of Ma Wan, a 1,300 metre leap to Tsing Vi (an island which has been developed for use by land intensive industries). another hop to Tsunwan.

The consultants, who say that work could be completed by 1984 if design work starts immediately, suggested a fourth bridge to link northern Tsing Yi to the New Territories

Cost of a bridge has been put at HK\$ 1.27bn compared in the way of the underground with HK\$ 1.26bn for a sub-railway in order to ensure that tube tunnel and HK\$ 181bn for a bored tunnel, alternatives which are also being examined by the Public plans for the double-tracking works Department. Road works and electrification of the Kow.

and electrification of the Kow.

could cost a further HK\$ 1bn. Priority forthe KCR arises.

"Given the other possibilities mainly from the link it provides for development which we with China but also hereuse it have," explained a senior to development the link it provides for development which we with China but also hereuse it have," explained a senior to development the link it provides the have," explained a senior is considered a cheaper option Government official, "the cost than the original concept of takof the bridge and associated ing the Mass Transit Railway to land) and Lantau—which is why

INFRASTRUCTURE

DANIEL NELSON

to accommodate enormous extra numbers of people,"

That "unless" is a real

possibility. The medium term population projection envisages an annual growth rate for 1976-1986 of 1.5 per cent (down from 1.8 per cent in 1966-76). But that was based on a low estimate of immigration - absurdly low given the history of cyclical bursts of immigration into the Colony,

Because of these imponderables, says Mr. Derek Jones, the Environment Secretary, "infrastructure planning must be more But certain decisions have a Cost estimates vary momentum of their own. The "market towns"—Tai Po, Fauling and Yuen Long-will be val of present restrictions spread over a longer time-scale, building heights in This is partly a result of economic constraints, but is also wrapped up with a debate withslightly more likely in March in Government over the rate at people should be decanted to new areas; one body of opinion suggests that the existing urban areas could take more people as redevelopment Company of Pasadena in con- continues, Government commitalso entails a continuation of the

Housing, too, will expand more slowly than was planned but will continue to receive high priority, which a senior planner admitted "may entail getting a bit out of line in other things." Difficulties could lie ahead if, as is likely, the housing programme outpaces the road pro-

The Transport White Paper published in May announced Government plans to spend roads, tunnels and railways over the next five years. Whether this programme can be maintained will depend on the health of the economy, but there is complete agreement that nothing will be allowed to stand it maximises its revenue as rapidly as possible.

Similar reasoning protects the roadworks could be justified Sha Tin: In these circumstances,

only if we have an airport. Land the interchange station at Kowdevelopment along the north loon Tong, a new station for coast of Lantau would be a the KCR, becomes crucial, bonus. But the bridge cannot Passengers travelling from the justify land development with New Territories to the urban out an airport, unless we have areas in the south can switch to to accommodate enormous extra the underground, allowing the two rail systems to become an extension of each other.

Another example of rethinking is the consideration being given to a light rail system on the north of Hong Kong Island, instead of going immediately for an underground line.

Unlike the commitments in the New Territories, the trans-port plans for Hong Kong Island have not yet been settled, although decisions will have to be made within a year.

Two other key infrastructure facilities—power and nater—are causing fewer headaches. For the former, current developments are sufficient to take care of demand projections until the end of the century. (The Under ground will be connected to both the China Light and Power and Hong Kong Electric systems, so that all essential services can be kept operating in the event of a complete loss of supply from either company; it also has emer-gency diesel generators.)

On water, past developments, particularly the HK\$ 1.3bn High Island reservoir, and a new water agreement with China will enable the Colony to survive until 1983 on existing supplies, unless there is a catastrophic drought. This has allowed the operationally costly de-salter at Lok On Pai to be deferred.

Studies are under way to ensure supplies in the longer term, since unrestricted demand is expected to rise from 100bn gallons a year to 176bn by 1988. One possibility is to dam Tolo Harbour and convert it into a freshwater lake. If the water was required while it was still salty. reverse osmosis desalters could

Large areas of Hong Kong are now "sterilised" for planning purposes as water catchments which places even more pressure on the scarcest resource of all: land. This is a perenially controversial subject because, apart from the engineering costs and difficulties of carving building land out of Hong Kong's hilly terrain, the Government is vir-tually the only source of new land for industrial, commercial or residential purposes. Government revenue from land transac tions in the urban area in 1978 totalled HK\$ 881m (HK\$ 628m in 1977) and revenue from land sales in the New Territories HK\$ 137m.

There is a shift in Government thinking away from housing-led development into a more positive search for new areas to open up, particularly for industrial development. The two most promising areas are Junk Bay (which could provide a satel-lite town for 200,000, with some 72 hectares of new industrial the bridge decision is so crucial

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CHARTERED SURVEYORS

Programme falling short of targets

Mei squatter area on Christmas but there are still 400,000 resi-Day, 1953, leaving 53,000 home-less. "Great Fire Mars Holi-cases at a density of 8 square days" declared the South China feet per person. It will take Morning Post headline, a some 10 years to rehouse them at Morning Post headline, a some 10 years to rehouse them at what low-key approach to a the current rate of develop-disaster which has changed the ment. face of Hong Kong.

of some 170,000, mostly sub- two groups alone there is an standard, dwellings for a population which a refugee influx had increased from 600,000 in 1945 to more than 2m. A quarter of a century later almost 2m people live in 372,000 flats provided or subsidised by the Government. With a Government. With a Government with a Government of the content of the content

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proved effective in forcing unresponsive Hong Kong administrations to make major policy changes. The extensive social welfare programme has its origins in the Star Ferry riots, and washing facilities designed and washing facilities designed as the constructed after the first we will not go and on which we will improve in years to come," he stresses. "Densities are very high—in the Oi Man boxes with communal levatory origins in the Star Ferry riots, and washing facilities designed as the constructed after the first we will improve in years to come," he stresses. "Densities are very high—in the Oi Man estate, opened in 1974, it is and the Government housing dard is basic. A modernisation programme in the fire which scheme began in late 1972, raged through the Shek Kip appropriately at Shek Kip Mei.

Official guesses put the num-The Colony faced an acute ber of squatters at 500,000, so Authority's door-to-door collectroproblem at that time: a stock even concentrating on these tion service. further 2m in 400.000 private but they are livable. And the sector flats. This is clearly an impressive better. The bulk of Bats are still improvement, but a glance into one big room, but most are now some of the flats detracts from self-contained. That is an enor-

1,720 per acre, but there's enough space to walk around. We have made it work."

There is no stigma attached to public housing, and arrears run at only 0.84 per cent of the total monthly rental, an indication of the reasonableness of the rents (between a quarter and a fifth of comparable commercial charges) and of the effectiveness of the Housing

streams of housing: the resettlement blocks for squatters and the units built by the Housing Authority to provide homes for those in existing tenements. The provide homes for those in existing tenements. The provide homes for those in existing tenements are stream of the stream of process became more stream-lined after 1972 when Sir tions as 14,100 flats in 1978-79, Murray MacLehose, the present rising to 35,600 the following the clamour of the statistics, mous improvement. We have Governor, took a look at the and subsequent years.

HOUSING

DANIEL NELSON

housing situation, declared it offensive to "our humanity, our civic pride, our political good sense," and decided to attempt to break the back of the prob-lem. A 10-year programme to provide 1.8m individual units was drawn up with the aim of housing almost the entire population in self-contained accom-

ping, threatened by budgetary cutbacks. In his 1977-78 annual Between the Shek Kip Mei report, Mr. Alan Scott, the

gramme is under pressure from the new influx of immigrants and the trend for young couples to want their own homes instead of living with their families. So Hong Kong is back in its familiar position of running faster in order to stay in the same place.

The Government's housing arm has been hit by the rise in construction costs and the overheating of the construction sec tor, to which it is a major con-tributor. The public sector's share of building and construction output has risen from 26 per cent in 1970 to 50 per cent lic works were directly respon-

sible for the new high figure. Those eligible to could not afford to buy a new The tender price index for quality were households earning public buildings rose 21 per up to HK\$3,500 a month and cent in 1978 and the situation Housing Authority tenants what has now gone beyond one of ever their income. There were juggling with rising costs. Conhowls from the private sector tractors have so much work on about Government encroach hand that they are either not ment, but the Administration bothering to tender or are submitting ludicrously high estimates for housing projects, so wate flats, "the forgotten the schemes are withdrawn for group."

Measures to overcome this —8,300 flats to be completed by difficulty include a Housing Department attempt to attract and HK\$166,000 apiece—was overseas companies through the use of serial contracts. A 12,000 second phase intention was to flat scheme in Tuen Mun will be complete 4,400 flats by 1980-81, awarded on this basis in 1978 that officials acknowledge that this figure has been reduced to top of the other problems the noving as fast as planned. On the construction costs. The original A further change was rate of tumileration must have

top of the other problems the construction costs. The original intention was to "lure the rich out of public housing" by build eligibility to families with a gramme. We had hoped to break ing good quality flats and selling monthly income of up to the back of the housing problem them at prices below those obtaining in the private sector. The publicly stated target was rates it was felt that families may prove to be an optimistic to produce over 42,000 flats in earning less than this amount assessment.

numerous successes, although it has often roused resentment in-

side other Government depart-

them public criticism of their

during the immense social dis-

Other checks and balances exist: the Director of Audit

tor's instructions when prepar-

"principles, systems and pro-cedures rather than with details and personalities"

-a situation hardly conducive

Hong Kong also has government by phone-in."

Every department has a senior

officer on call every morning to deal with complaints or criticisms voiced by callers to

Radio Television Hong Kong

(RTHK). Presenter Steve Aylward justifiably claims num-

erous successes as officials have

acted on these criticisms, but

some people claim he has be-

come something of an apologist

Elsie Elliott is not impressed

by these concessions how-

ever; her closely documented

evidence of government injus-tice, bullying, complacency, incompenience or corruption is

massive, and stretches back

many years. The now notorious police corruption trials which

resulted in the dismissal and

conviction of police chief Peter Godber were forced to the fore by Elsie Elliott. Government

officials have learned to take

careful note when Elsie Elliott

points the accusing finger. While her incorrigibility is

legendary in Hong Kong it is also rare: most people are intimidated into political

inertia by a bullying govern-ment, according to Elsie Elliott. "I reckon it takes from three to six months for a newcomer

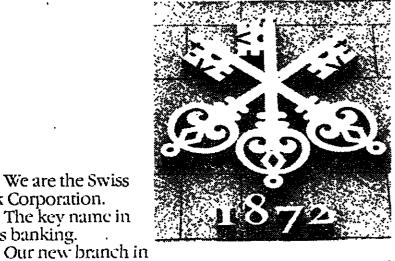
to Hong Kong to become either one of US or one of THEM."

for the government.

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Total assets (end 1978): Str. 63 244 million, Customers' deposits: Str. 70,588 million, Capital and reserves: Str. 3,725 million, Advances to customers: Str. 20,851 million. Flot profit: Str. 223 million. Firmber of staff: 10,056, General Management in CH-4002 Basie, Aeschenvorstadt 1, and in CH-302C Zunch, Paradoplate 6, Over 170 office attribute but Switzerfand, Stanches in London, New York, Atlanta, Chicago, San Francisco, Tokyo, Hung Long, Singapore, Bahrain, Branches, subsidiaries, altihated companies and representatives in 28 countries

Gulf between the rulers and the ruled

DAVID DODWELL

THE HONG KONG Govern-Tment's only report on local government quoted Confucius:
"It is possible to make the masses follow what should be followed, but it is not possible to make them comprehend why it should be followed." The miniscule ruling elite in Hong Kong seems to agree heartily.

Just a handful of people rule

Just a handful of people rule Hong Kong's 5m population under a constitution set down by Britain's colonial administra-tion more than 130 years ago.
Each of these rulers is appointed rather than elected, and the absence of all but the most nominal epology for demo-cracy has roused increasing criticism, protests and a growing awareness of the gaping rift between rulers and ruled.

Hong Kong's Chinese population, most of them still young and much better educated than their parents, are no longer prepared to accept diktats from on high without question. As a strengthening sense of nationhood emerges, so the people rant a greater say in the way their lives are governed.

Elsic Elliott, a member of dauntless campaigner for social rights, said recently: "The Hong Kong people are no longer a refugee population afraid of deportation if they speak up. The younger genera-tion were born in Hong Kong: they are now getting higher education: they are beginning to ask why they have no rights."

Hong Kong's ruling elite hetly contends these claims. First, it claims that critics, though noisy, are small in number, echoing the views of a tightly knit intellectual minority. It then c'aims that the present system of government serves everyone's interests better than any other could, and that a number of checks and balances have been introduced during the past decade to ensure that rulers stay in touch with public opinion and get effective feedback on policy measures.

Hong Kong's highly centralised and unitary govern-ment certainly offers advantages in terms of efficiency and tidiness. Many administrators proudly point out that Hong Kong is saved the cant and gerrymandering of "politics" by which they mean elective party politics.

Martin Rowlands, secretary for the civil service and an official member of the legislative council — Hong Kong's "parliament" — reflects this view. "People genuinely appreciate an attempt at honest services, and feeding back to government, and appreciate the the Government opinions on results. More than anything Government policy from the grass roots. This network claims else they want stability and the

ment to be responsible, efficient, ments when it has fed back to progressive and caring." actions or policies.

Its role in smoothing ruffled feathers, and helping people to get approriate compensation He feels that Hong Kong's governmental structure guarantees this: at the pinnacle, the governor is responsible directly to the Queen. Below him, the executive council (Exco) comprises the governor, ruption as the Mass Transit Railway was built, produced favourable comment from all five ex-officio members and 10 nominated members. Exco, primarily a consultative body, meets in camera normally once

opportunity to conduct their

business with the minimum of

interference. They want govern-

Below Exco is the legislative council (Legco), comprising the governor, four ex officio governor, members, 16 appointed official members (called "officials") and 24 appointed unofficial members (called "unofficials"). Legco enacts legislation and Accounts Committee, which meets in camera. The Direccontrols public spending. meets in public, normally twice ing its reports, are to deal with

Apology

Below this body is Hong Kong's apology for democracy the urban council (Urbco). Urbco has 12 appointed members and 12 elected members. It has power over sanitation and hygiene. Voters must have lived in Hong Kong for at least three years, be over 21. be regular tax-payers, rate-payers, holders of school certificates. Teachers, civil servants some professionals also quality. A grand total of 6 per cent of Hong Kong's population is qualified to vote. The conservative camp

Urbco (the majority) feels that a more substantial concession to democracy would court folly. One typical view comes from John MacKenzic, a member of Urbco: "We should rationalise and regularise the Urban Council by ensuring that the best qualified and most widely accepted citizens are selected, and invited to serve on the council. Some elective presence should remain but on diminished scale."

A working party set up in 1966 by the then Governor Sir David Trench to investigate local government reforms claimed in its report: "There is definite risk that a system based on popular representation as determined by the ballot box could quickly become controlled by unscrupulous or corrupt power-seckers." In this context, social activism is "trouble-

Elsie Elliott, also an Urban Councillor (elected), does not agree: "The only principle that exists in Hong Kong Govern-ment is freedom for the ruling class to make money without having to consider the rights of any but their own class. The electorate for the Urban Council is made up of privileged people. I have a case load of about 500 people, and there isn't a voter among them."
It would be unfair to say that

Hong Kong's rulers have made no reforms. The New Territories no reforms. The New Territories administration has set up a wide network of local committees to act as "conduits" between government and the local community. The Home Affairs Department followed with City District Offices (CDOs) after the shocking riots in 1967, which spilt over from upheavals inside China

These CDOs aim to be uncles to Hong Kong's urban population, channelling govern-ment decisions through to then, providing them with access to Government departments and

LOCAL GOVERNMENT and omnipotent ones. THEM means the rest, numbering about 4m people, the ordinary It is this polarisation that she most fears. She reports a strengthening undercurrent of militancy and unreason among "the ordinary folk," which augurs ill for Hong Kong's

political future. The impregnability of Hong Kong's rulers angers her greatly. "A member of the administration can do eny damathing. He can be corrupt, lazy. gnorant or incompetent and

US means the colonials the social climbers, the omniscient

will barely ever lose his job."

At the root of this criticism is an attack on the continued heavy use of expatriate labour, particularly at the highest levels of Government administration.
While expatriates make up only
a per cent of Hong Kong's 127,000-strong civil service, at the directorate level (where weeds through the government salaries are in excess of accounts every year in search HK\$11,000 a month) expatriates of negligence or misconduct make up 64 per cent of the and has in the past come up workforce. Among top manage-with substantial criticisms ment, the next rung, expatriates

requiring Government action, make up 40 per cent Grievances are compounded sidered in detail in the Public because expatriates get two important perks: assistance with housing (which is cripplingly expensive in Hong Kong) and paid home leave every year, with extra holiday to facilitate

Grounds

The Government defends its policy on two main grounds first, government is still colonial, and neither the British nor the Chinese governments would be happy to see too much power devolve to the indigenous Hong Kong population Second. Hong Kong lacks many specialists needed in 12 sophisticated administration, so these have to be imported. Critics accept these points in part, but claim these requirements do not justify such a large expatriate labour force or the perks given to them.

Again, Elsie Elliott is blunt: "The withering of Britain's colonial service means fewer and fewer expatriates have experience or expertise to match local people. The fact is that many who come are ambitious men who are not good enough to fulfil their ambitions in Britain Basically, they are throwouts: But when they arrive here they are almost guaranteed safe passage to the top. The Chinese, who know all the answers, are

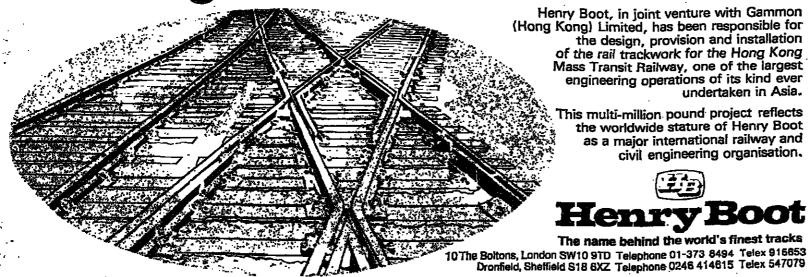
usually passed over."
Elsie Elliott's comments may seem harsh, but they reflect a substantial body of opinion among Hong Kong's Chinese population—a body of opinion that would have to be listened to much more attentively in an elective democracy.

This Survey will have whetted your appetite for more information about Hong Kong. We can give it to you.

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a human monsoon; as no end seems in right to the flood of pathetic Victnamese refugees pouring across the South China Sea fowards Hong Kong, so the Government has warned the world that it is near the end of

Hong-Kong Governor, Sir Hurray MacLahose's alarm call was made—for maximum impact—in Britain and the United States, during his recent tour of western capitals. Coinciding with Malaysian threats to shoot Vietnamese refugees as they tried to come ashore, Sir Murray's warnings struck powerfully home.

The call by Mrs. Margaret Thatcher, Britain's new Conservative Prime Minister, for an servative Prime Minister, for an emergency. UN conference on refugees, was probably a direct result of Sir Morray's visit. So, too, was foreign kimister Lord Carrington's whistle-stop visit to Hong Kong, for a first-hand-look at the refugee problem.

Victory in the battle to attract world attention to the refugee crisis is, however, only a first stage in the war being waged to

stage in the war being waged to resolve the problem. Hong Kong is now isolated as the only remaining refuge for escapees from Vietnam as they drift with the south-west monsoons.
Unless the sympathetic sentiments voiced by Western leaders are backed promptly by concrete action, then the colony faces a dilemma of dreadful

refugees arrived in Hong Kong. They continue to arrive at a rate of more than 1,000 a day and local analysis; predict 200,000 Hong Kong's western shores—will have arrived in Hong Kong, so long as they don't sink and

At the same time, immigrants both legal and illegal are pour ing in from China. An estimated total of 150,000 arrived up to the middle of June, and while the flow has been stanned in experts still predict an influx for the year of more than may seem to have been swiftly 230,000.

Crowded

Hong Kong is already one of world's most crowded corners: one area of Kowloon boasts a population of 144,000 people per square kilometre. Around 5m people squeeze into a land area of 404 square miles, a land area of 404 square units, acknowledge that mong and the prospect of absorbing like Malaysia and Indonesia, is another 400,000 as a result of simply a processing centre, and one year's uncontrolled migrant that the Vietnamese will move

The Hong Kong people themselves make a clear distinction between the Chinese and Vietnamese arrivals and it is the Vietnamese who arouse the pace. For every 100 refugees most venomous feelings, Chinese processed more than 1,000 immigrants may be marginally arrive to await processing. The U.S. has recently doubted the them are single men, aged the processing of the processing of the u.S. has recently doubted the them are single men, aged accept refugees to 14,000 a ally and culturally they merge casily—and are eager to do so. Many have relatives already in the meanwhile, the price Vietnamese who arouse the most venomous feelings. Chinese Hong Kong, albeit distant relatives. They bring lew of housing and feeding the refudependants, and white they arrive with no particular work cost the Hong Kong Government.

In contrast, the Vietnamese depending on family size.

It only becomes possible to log accurately the rate of illegal arrivals when "I-Is" "touch the United States costs with the Hong Rong or arrivals when "I-Is" "touch the United States or other composes are almost empty. Refuses "if they reach the Hong Kong urban area, then after three months they can safely apply to the Registrar of Persons for an identity card and a right to learn. English Many are workers.

The Jien William Plant States or other composition of the William States Costs with the Hong Rong arrivals when "I-Is" "touch the United States or other composition of the Plant States or other composition of the William States Costs with the Hong Rong arrivals when "I-Is" "touch the United States or other composition of the Many are united States or other composition of the Many are united States or other composition of the Many are united States or other composition of the Many are united States or other composition of the Many are united States or other composition of the Many are united States or other composition of the Many are united States or other composition of the Many are united States or other composition of the Many are united States or other composition of the Many are united States

The refugee camps which now hold the Vietnamese are bursting at the seams; and the cost of a further 2,500. A warehouse marketeering, of keeping them is easy to a further 2,500. A warehouse marketeering, of keeping them is easy to a further 2,500. A warehouse marketeering, of keeping them is easy to a further 2,500. A warehouse marketeering, of keeping them is liegal count—they are a clearly visible has been converted to take prostitution and other illegal social problem. Immigrants 11,000. The Government has means of earning a living from China may eventually cost leased other properties to the During the past month aspir-from China may eventually cost leased other properties to the During the past month aspir-from China may eventually cost leased other properties to the During the past month aspir-from China may be converted to take prostitution and other illegal social problem. The converted to take prostitution and other illegal social problem. The converted to take prostitution and other illegal social problem. The converted to take prostitution and other illegal social problem. The converted to take prostitution and other illegal social problem. The converted to take prostitution and other illegal social problem. ing at the seams, and the cost much more, but these costs are, and will continue to be, diffuse. In consequence, the issue of Chinese immigrants is much less

As refugees, the Vietnamese present a number of anomalies. Early arrivals were all ethnic Chinese but the recent influx has included an increasing number of ethnic Vietnamese. Those from the south (an inincreasing proportion) are often ary 8. But just over a week wealthy. It is now acknowledged that they pay dearly for safe cut the anchor chain and the passage out of Vietnam—up to Skyluck ran aground on one of \$2.500. Even before other SE Hong Kong's offshore islands. laws permitting police to board SZ-500. Even defore other Sig.

Asian countries began to turn. The refugees on board have any vessel suspected of carryAsian countries began to turn. The refugees on board have any vessel suspected of carrythem away, many aimed for since had to be squeezed into ing "I-Is," and to seize vessels them away, many aimed for since had to be squeezed into

Vietnam because they are boats.
racially Chinese; because they . As a matter of principle, the made up Vietnam's pre-revolu- colony's Government is reluct- on the agenda when Sir Murray tionary petit bourgeoisie, or ant to make life too comfortable MacLehose made his historic because they worked for the for refugees: that would encourU.S. Army, while it was fighting age Western governments to Murray returned convinced in Vietnam. Increasing numbers drag their feet even more. The that the Chinese authorities of refugees repeat the same uptake of refugees by Western were aware of the scale of the story; their intenents convenient and appropriated the story: their property confiscated, nations has disappointed Hong problem, and appreciated the then work permits and food Kong, and driven the ASEAN advantages to both sides if the ration cards are withdrawn leaders to take a much harsher flow could be staunched.

They are then given a choice stance.



Urgent new moves are being made to halt the flood of illegal immigrants crossing Hong Kong's 15-mile land border with China. After their arrest, immigrants (above) receive a bread ration from a Gurkha soldier.

China's interest that Hong Kong should remain prosperous, and

that continued large scale immi-

gration is likely to weaken severely the economy—by put-

ting fresh strains on public ser-

vices, welfare services, hospitals and schools, and by exacerbating Hong Kong's acute housing

Chinese action since Sir Murray's visit seems to have matched that in Hong Kong for effective-

ness: border patrols have been strengthened as troops from the

42nd Army have returned from

Vietnam. A propaganda cam-

paign seems to have been mounted criticising aspiring emigrants, and tougher punish-

ments seem to await escapees

The Hong Kong authorities urgently needed a respite on the border with China: they

can now concentrate on tackling

The Geneva conference on July

20 cannot come soon enough.

returned to the mainland.

shortage.

IMMIGRATION

DAVID DODWELL

Economic Zones." cash can be scraped together,

concrete action, then the colony faces a dilemma of dreadful proportions.

Between January and the end of June, over 58,000 Vietnamese refugees arrived in Hang Kong out the summer, the south-west monsoon will push Vietnamese refugees relentlessly on to Hong Kong's western shores waters by the end of the year. drown before they reach there. The Hong Kong authorities claim that one refugee drowns for every one that leaves Vietnam.

This fact, if no other, should galvanise Western Governments into action. The UN conference called for July 20 in Geneva of lives will be lost even in this

Slow action by the Western powers has led the nations of South-East Asia to the verge of despair. In theory, Victuamese refugees should be no more vassing "problem: Western Governments, particularly the U.S. and France, on, in due course, to permanent

The problem is that they are being processed at a snail's pace. For every 100 refugees

skills, they can easily be ment an estimated HK\$110,000 absorbed by Hong Kong's in April from HK\$ 3 a day to between HK\$ 4 and HK\$ 6, arrive with large cuitbales.

dockyard, and near Kai Tak air-a port, hold 16,000. Prisons house drug extensions completed at the endof May. Nearby, the Jubilee buildings house a further 2,000.

Squeeze

A further 2,700 were housed abroad the Panamanian freighter, Skyluck, which arrived detain "I-Is" for court appearin Hong Kong waters on Febru- ances (until recently they were ago, crew members managed to them away, many aimed for since had to be squeezed into the size vessels of any size found carrying them, authorities made no attempt to island. As more refugees confiscate the gold leaf which they carried with them, the last remnants of their wealth.

Most face persecution in Vietnam because they are boats.

between buying their way out . When Margaret That about

the country or being sent new Conservative Government in one of Vietnam's "New Britain tried to renege on its commitment to accept the 970 refugees picked up in May by the British boat, Sibonga, Hong Kong was truly alarmed. Was the West going to baulk even on the minimal commitments

already made? Hong Kong is adamant about the urgent need for an adequate resettlement programme to be agreed. But it has now become clear that a second objective must be achieved if the refugee problem is to be solved: the Vietnamese Government must be persuaded to change its policy--at least to the extent of allowing an orderly departure of refugees. The Geneva conference must attain these two objectives as a minimum if the nations of

Attractions

SE Asia are to be appeared.

While the Vietnamese refugee oroblem still remains unresolved, the crisis over immigrants from China may have passed: concerted action. authorities on both sides of the border seems to have brought the problem under control for the time being, at least. It is not difficult to see the

attraction of Hong Kong for many young mainlanders: living close to the border, the sky to the south glows every night from the lights of Hong Kong. This British enclave offers not only bright lights, but the tantalising prospect of wealth and escape from the gruelling and schizophrenic life under Communist rule.

The greatest problem comes from illegal immigrants (called "I-Is," or "eye-eyes" in local jargon). These flooded in when China's war with Vietnam broke out, because border patrols were thinned drastically. Hong Kong patrols have been at full stretch since last autumn, however. In the first six months of 1979, about 150,000 Chinese crossed into Hong Kong-most

a recipe certain to produce trafficking,

less successful in slipping through the net flung along the border between Hong Kong and the mainland. An extra 1,000 troops from Britain, with extra helicopters, a hovercraft and a fast patrol boat, have no doubt helped to reinforce border patrols on the Hong Kong side. New laws enabling police to returned to China within 24 hours) has helped in the cam-paign to catch "A-As"—aiders and abettors. So too have new

Illegal immigration was high

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unds

No end to the Kung Fu craze

THE FLYING fists of Kung Fu Maestro Bruce Lee had cash registers ringing round the world for the Hong Kong film industry. The martial arts master launched an international craze for Kung Fu and at the same time put Hong Kong firmly on the film map of the world. the world.

Nobody has come along with the same charisma to capture duction lines out of Hong Kong the imagination of audiences. But the local industry certainly

Hong Kong, famed backdrop

has about 14 films on the production line for this year; including a US\$17m thriller High Road to China to be directed by John Houston. A company spokesman said: "We've averaged about 12 films a year since we were founded in 1970. This year is going to be one hell of a year. The films will be predominantly action comedies. Kung Fu is becoming a little frayed at the edges nowadays. There is never going to be another Bruce Lee." The company has also just

and a very pleasant financial surprise in Japan, which ranks after the U.S. as one of the world's most lucrative film markets. They released a Hong Kong comedy Private Eye with two talented local Cantonese brothers, Michael and Sam Hui, as the stars. Everyone thought the humour was too parochial— it would never travel, they said. Golden Harvest hired a top team of Japanese comedy writers to do the subtitles, business boomed at the box office and a Hui follow-up is now

underway for Tokyo. Shaw Brothers, the cinema giant of Asia, is also full of optimism about 1979. It has plans to complete about 40 films this year, which will boost production by about 10 per cent.

The company has a chain of about 160 cinemas around Asia. A spokesman said: "The over-seas Chinese will always be our big market. We primarily cater

THE FILM INDUSTRY

SIMON LLOYD

has no complaints about box for The World of Suzie Wong office receipts, with the two big and Love Is A Many Splendid production companies in the Thing, is still proving to be a Colony — Shaw Brothers and Golden Harvest — painting a rosy picture for this year.

Golden Harvest, for which Bruce Lee was such a goldmine.

Golden Harvest, for which Bruce Lee was such a goldmine.

Coming Home, which won Oscars for Jon Voight and Jane Fonda, came to Hong Kong for Fonda and her screen husband Bruce Dern to enjoy some celluloid rest and recreation away from the Vietnam war. Elaborate stunts were staged for the bumbling Inspector Clou-seau as Peter Sellers gallivanted his way through the latest Pink ance. Panther saga in the back alleys of Hong Kong.

Ryan O'Neal star of the hugely successful weepie Love Story, came with Candice Bergen to Hong Kong for the follow-up — Oliver's Story — which took the crew to the picturesque fishing port of Aberden, famed for its garish floating restaurants.

Advantages

The film crews don't just come here for the exotic backdrop. Labour costs are low, local technicians are easy to hire and getting more proficient every

day.

The Government also happily smoothes the path for the new arrivals—no permits are needed for visiting production units. All they have to worry about is trying to film in some of the most overcrowded streets in the

Hong Kong is full of a d movie faus, cinemas are packed out every night. But a glance at the box office blockbusters show how narrow their tastes is better than international co-tonese brand of slapstick national limelight."

They take three of the top four places with their films. The top foreign entry down at No. 5 is that daddy of the disaster epics—Towering Inferno.

Avid fans of quality films from the West have slim pickings to choose from. Local critic Mel Tobias, who recently wrote a book reviewing the post-Bruce Lee film industry, complains: "If a film doesn't pick up at least one Oscar or make money elsewhere in the region, it won't be shown in Hong Kong." Come Oscar time eager cinephiles rush along to catch the main winners before they vanish from the screens after an all-too-short appear-

notable and widespread pheno-menon on the screens of Hong Kong, but Tobias complains: "The irritating thing about reviewing films in Hong Kong, particularly sex films, is that by the time they reach our screens there is really very little flesh left after the censors have been through them, scissors waving, killing even the continuity."

Tobias's book is illustrated with some fairly steamy scenes from local productions, but Hong Kong Film Censor Nigel Watt points out in his introduction to the glossy book: "Some of these photographs are the imaginative products of studio still photographs and do not necessarily depict scenes as they appeared on the cinema screens of Hong Kong.'

Bruce Lee, who died six years ago, still casts a giant shadow over the industry which once poured out a flow of look-alike movies with titles like Bruce Lee, We Miss You. Those days are gone and Mel Tobias reflects optimistically about the indus-try, concluding: "Somebody for them and are having a can be at times. A look at the try, concluding: "Somebody pretty good year. We also do top 20 money spinners show may just come along to put film financing, which we believe the Hui Brothers' special Can-



A director of Shaw Brothers—who last year produced 70 films—directs a Ching Dynasty period film at the famous "movie city" in Clear Water Bay, Hong Kong.

Bewildering statistics

GAMBLING

BY A CORRESPONDENT

The "skin flick" is another THE HONG KONG Chinese would happily bet on a race between two raindrops trickling down a window pane. If you think this is an exaggeration, take a trip to the racecourses of Happy Valley or Shatin and watch the fanatical Chinese punters in action. They put a mammoth HK\$10m on every single race. A look at the Jockey Club turnover statistics for this year shows that per capita every man, woman and child in Hong Rong wagers

> the highest gambling rates in the world. The English may have a fondness for individual horses which develops into a passion when it's Red Rum or Arkle. But in spit of reclaimed land, may offer some of the most up-to-date

> > plate at Catterick. That is of

little importance to the Hong

that offer him the kind of

punter sets in France. Hong Kong had 65 race meetings this season and every one HK\$950 on the horses, one of was packed out. The gamblers took Shatin — an engineering miracle built on 16m tonnes of reclaimed land-to their hearts, though some of the longerpriced winners may have hurt

stupendous odds the tierce

their pockets. Hong Kong the crowd is out there rooting for Number Three. The courses particularly the newly opened Shatin on a comes to pandering to the comes to pandering to the Chinese passion for gambling. It also arranges the Mark Six racing facilities in the world. lottery, Hong Kong's answer to But when it comes to horses, the Bingo, for 47m people. As the average Hong Kong racer would name suggests, you have to pick not be out of place in a selling six out of 36 numbers in the twice-weekly draw. The Chinese, eagerly hunting for the big Kong punter, eager to win the bonanza, happily invest more

game, which depends on pure

are often hard enough to find for today's increasingly affinent young Chinese, who have come long way from the misery of their refugee parents who just strugggled to survive. About 40 per cent of the wagers were made on course, with the Club's wide circle of off-course betting

revenue. That is as far as legal gambling extends in Hong Kong. Anything else is outside the law—bar the odd friendly game of Mahjong, where no commission

shops providing the rest of the

illegal gambling dans, resulting in 13,429 arrests. Despite the impressive statistics, a police spokesman did say: "It is the opinion of the police that when compared with the many other problems the general public faces in Hong Kong illegal gambling cannot be considered

serious.' chance and nothing else. gambling squads in every police is gambling and you'll be in Sunday horse racing was division. Their main problems bing shoulders with a wind introduced for the first time are small-time illegal casinos old fisherman or an age introduced for the mst unit this season and it certainly usually operating out or parameter proved popular in a tiny flats in high-rise buildings. They are very difficult to track down. They rarely operate out of each flat for more than two days and are constantly on the move. Regular clients are contacted by their pager buzzers and can easily be assembled, operations.

are hard to track and crack. Moreover, the courts tend not to slap on the maximum fine once an offender is caught. You once an offender is canguage on Kong gambler revery was ment and a HKS500,000 fine for the hydrofoils are packed with ment and a HKS500,000 fine for the hydrofoils are packed with ment and a HKS500,000 fine for the hydrofoils are packed with ment and a HKS500,000 fine for the hydrofoils are packed with a constraint.

Kong punter, eager to win the bonanza, happily invest more Last year Hong Kong police Police anti-gambling activities fortunes that most could quinella or other exotic bets than HK\$2m a year on this made almost 12,000 raids on do not stop there. Illegal afford to risk, let alone lose.

they will also raid bullet sites to catch workmen place Pai Kau, the Chinese equiva-of dominoes, for money. He target, although catching the in the member's stand on race course is often a six task. Bets are passed by wo of mouth and debts settled the trace course is often a six afterwards suiside the trace

But the Hong Kong Chi are not just commen to fine beckoning casino lights. Macao, the delightful old Po Macao, the delightful old Portinguese ferritory that is a criental gamilier's them. The the easine syndicate makes a estimated U.S. \$300m a year of the Chinese passion of the Chinese passion of gambling a large slice of the money goes towards the Mara Administration's revenue.

Variety

Macao, the closest anna settlement in Asia, is a pin larly fascinating place to gain because of the varied offers. There is the delight seedy froating casino due. the waterfront where the ative tourist can easily visit himself being shaughsied misty night. Then there. misty might, then there, huge and extraordinary had been a 21st century sir whose gambling tables more like a stage set for like Close Encounters of Third Kind than a campo

The Westerner coming Macao should also throw all preconceived ideas of a casine looks like Forge elegance and sophisticate Monte Carlo, with its of jacketed James Bond type their lithe escorts. Don't you will be transported in brash sulgarity of Las W with all its neon lights a girls and one arm bandin Macao the ultra-serious bush (Chinese servant) determined win that elusive fortune

escape the breadline. But all too often the "lo sharks " who do such a lucration trade — offering outragemak high interest rates in exchange for the unfortunate gamblers travel documents — do a mage ing business with the desperat

Even so, the sharks do nothin to deter the ever hopeful Ron Kong gambler. Every weeken average most offenders escape part of the expatriate Chinese with a fine of HK\$5,000-10,000. Way of life, and whether its inGamblers are much luckler, casino or the racecourse, they
escaping with pinprick fines of genuinely revel in every inhuluHX\$150-200. IX\$150-200. Of it and dampily gamble awa Police anti-gambling activities fortunes that most could if

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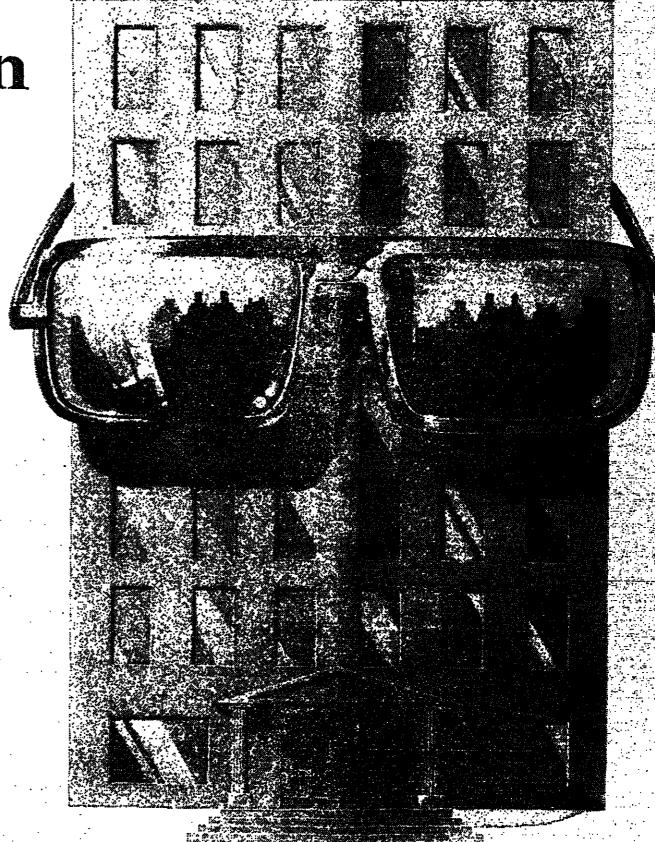
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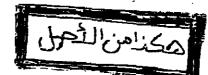
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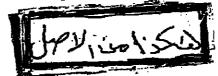
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... after I was programmed to

A big future for 'talking computers'

BY MAX WILKINSON

speaking, what do you responds with an ordinary sure to find new markets as the total to order? human sounding voice, cost of their products falls. The

RQ OD PT N 15674339."

MAYRE this doesn't sound all communicate with a talking that wonderful. Certainly it is the special keypad costing £100, not in the class of telephone or less and access in a teleconversation which Buzby keeps or less and access in a teleconversation which Buzby keeps phone. The computer itself, of
enticing us to have with our course must have special voice
puters are not programmed to
be intimate. Endlessly polite,
they are invariably patient But
as conversationslists, definitely
limited. Perhaps it is a wonder. The Menties system has been
that they can talk at all.

installed by several motor can

In fact, talking isn't the difficulty nowadays. The problem is that computers can talk indefatigably, but are poor listeners. To make yourself understood by a computer you have to treat

stand "ONE. BROWN, COW," but the possible identity of a "silly old cow" would almost certainly have it stumped. Moreover, computers will not

For these reasons the talking to 400 words is adequate for its computers which are beginning menial function as electronic to appear in the commercial filing clerk. It uses a spinning market do not usually accept disc on which words and phrases spoken commands from their have been pre-recorded by a users. A system sold in the live human. The computer UK by Menzies Communications British chain of newsagents— sentences, and the result sounds for example, uses a small calculator-style keypad which is This system is a comparatively simple example of the ordinary telephone.

the computer and press buttons commercial reasons on his keypad to transmit his It is happening on his keypad to transmit his It is happening because where very busy people need to for example, recently been on identification code and his computer manufacturers are obtain instantaneous informa an active recruitment drive

Hello, this is the computer requests. But the computer coming under increasing pres-

"RO OD PT N 15674331" talking computer is that it is "Sorry, that part has been much more accessible than replaced by N 15674339." conventional systems. These conventional systems. These usually communicate with human operators by displaying

"Thank you, the order will information on a bulky and be despotched at once " expensive television screen. To

installed by several motor car companies to enable servicemen throughout the country to dial straight into the central companier to order spare parts. It is also used by travelling salesmen who want to make up to the minute checks on the availability of stocks, while it like an imbecile: speak slowly, availability of stocks, while very clearly and with a few visiting their customers. It could also be used for the grammed machine could under validation of credit cards by validation of credit cards by stores and shops which could dial straight into the computer instead of having to go through an operator.

The Menzies system cannot, respond to a question from a in discursive terms, be voice which they have not been considered a great talker, programmed to recognise although its vocabulary of up assembles these words into the -a subsidiary of the order required to make its

way in which computers are In the example at the increasingly being programmed beginning of this article, the to imitate and even to replace user would dist straight into human faculties—for good

cost of their products falls. The revolution in microelectronics has caused the price of computers to drop by about 35 per cent a year (for all levels of performance). That means the manufacturers will need to find a completely new category of customers if they are to prevent

their revenues from shrinking. To do this, they are trying to "democratise" computers, to liberate them from the jargon of the technological elite and, in short, to force them to speak our language. Systems designed for small businesses must be comprehensible to the small businessman and to some extent to the ordinary secretary.

At the same time, even the bigger systems are required to be what the industry inelegantly describes as "user-friendly." That means they must communicate in natural language with a production workers and executives who now have access to networks of computer terminals. Once computers can use

natural language it is a comparatively small conceptual step to make them talk, although the technical feat is impressive. Texas Instruments has even produced a miniature talking computer for nursery school children. It costs £47, has a vocabulary of 200 words and is intended to teach spelling. The machine produces a completely synthetic imitation of the human voice which will cer-tainly be developed for use with

more complicated systems.

Professor Donald Michie,

Professor of Machine Intelligence at Edinburgh University, believes that talking computer systems will be in general use in the next two or three years. He believes the systems will be used for airline reservations, stockbroking, perhaps air traffic control and other applications talk I began to think... then I began to worry!

tion from a computer.
However, with computers, as

with people, the mere ability to speak must be distinguished from what Professor Michie describes as "the intellectual quality of the discourse." Voice production does not necessarily imply artificial intelligence, although it will undoubtedly focus a great deal more atten-tion on fascinating develop-ing very few question; and focus a great deal more attenments in this field.

ligence does, in fact, show every sign of breaking out from the mists of speculation of the last decade to become a thing of real practical importance.

In the U.S. research is being conducted in at least 12 different institutions; and some of the larger electronics com- points out that in addition to panies are beginning to take a lively interest in the results. Several of these companies, in-cluding Texas Instruments, have number of conceptual problems where very busy people need to for example, recently been on are very far from solution.

among the 200 artificial intelligence researchers at Stanford University in California.

One motive, undoubtedly, is the desire to make computers better at recognising speech patterns and at understanding their meaning. Computers already exist which can respond to a few spoken words nents in this field.

Research into artificial intel-could clearly have important military and commercial appli-

However, there is no need to be alarmed that a complete electronic Frankenstein's monster is just about to be wired together. Professor Christopher Longuet-Higgins of Sussex University the practical difficulties of distinguishing different accents

What, for example, is a com-

UK: Transport and General

young people, Sheffield

Scarborough (until July 13).

GENERAL

(until July 11).

puter to make of the "it" in the sentence: "It is raining" or "It is advisable. . suppose a computer is told that 'all men are mortal" and "Socrates is a man," it must follow that "Socrates is mortal."

numerous."

Indeed most of the experiments in making computers con-verse in natural language have demonstrated the severe limitations of what is possible. Some computer programs have been able to give life-like responses to general questions

The professor says that if the

machine was then told: "Men

are numerous," it would prob-ably deduce "Socrates is

One early example was a program called ELIZA developed by Professor Joseph Weizen-baum of the Massachusetts Insti-

other way extremely limited.

analyst interviewing a patient.

The computer program was so good at "analysing" its patients that some people even requested private sessions with it and some experts said that interviewing an expert to every hospital should have one. establish the tests which should However, Weizenbaum points be made, the deductions which out that the analysis was essenshould be drawn from them However, Weizenbaum points tially fraudulent because the and the further investigations computer had no understanding required. When the computer of its "patients" nor of lan- has remembered the methodguage. It was simply going ology of the expert, its can give through a series of clever "consultations" to prospecting routines. Another attempt by companies to advise where K. M. Kolby produced a clever would be program called PARRY which to drill simulated the responses of a paranolac to questioning. However this seemed to be successful mainly because the computer could simply revert to a supposed obsession whenever it could not "understand" a ques-

In general, therefore, research has shown that the problems of enabling computers to respond to ordinary language are much more difficult than the optimists in the computer industry once supposed. Computers can only converse intelligently on an extremely limited and specific

More fundamentally, Professor Welzenbaum has pointed out that computers could never fully grasp human language unless they could feel human emotions like love and fear.

Borderland

However this philosophical borderland between mind and matter is not especially important to the commercial world. It has become more interested in the way artificial intelligence can tackle highly complex but nevel limited practical tasks. but at the expense of appearing nevertheless mentally disturbed or in some

An important example is the development at Stanford of computer systems which will simulate the thought processes of professional experts. One tute of Technology in which the such system called PROS- Americans run computer simulated a psycho- PECTOR has been developed at shall be sorry."

Stanford Research Institute International to help companies decide where to drill for oil or mineral deposits.

The programme works by first

would be the most likely places Mr. John Cashnick, one of the scientists working on the project, says that in tests so far the computer's predictions have proved remarkably

accurate. Similar "Expert Systems" have been successfully developed for medical diagnosis. A likely next step will be to make such systems generally available for consultations in the law, accountancy and other professional fields. Such systems will probably be used in con-junction with a "talking"

If, as now seems very likely artificially intelligent computers are to become commercially important, the question must be: "What is happening in the UK?" Professor Michie and several others in the field believe the answer is: "Not nearly

At present research in the UK is distributed between a "scattered scholars" few says. To compete with the Americans and the Japanese, he believes a special research centre is needed to concentrate the country's resources. "I believe it is like the oil

crisis," he says: "Nobody be-lieved it was serious until it was too late. But unless something is done, in ten years' time when the Japanese and the Americans run all over us, we

Letters to the Editor

Imports may

From the Economic Adolser,

Burge and Co. Sir-Lex (July 5) has uncovered a further vital piece of the jigsaw in any compre sive analysis of the effects of rising sterling and the UK over-seas trade balance where he comments upon "Forward

know from successive studies of trading invoices that overseas trade tends to be con-ducted in the currencies of the suppliers, le UK exports are in foreign currencies. The point is that, all along, it has been UK importers who have been the users of forward to protect their import costs from falling sterling. This policy gave overseas suppliers to the UK a heaven-sent opportunity to stockpile contracted goods in the UK as foreign carmanufacturers can testify.

Both UK importers and their Unilever. overseas suppliers will have to revise their importing and UK PO Box 68, EC4. stockpiling activities with stronger sterling. For example, "spot" U.S. dollars and, I think, all other currencies are cheaper today than "forward" purchases made at the time im-. port business was contracted (Uusually two months eight

months ago).
There is a distinct possibility that we are about to see a use. Distributors asks (July 2) for ful fall in UK imports and a legislation to accelerate metricaful fall in UK imports and a recovery of market share by home manufacturers for a wide cross-section of goods. The "J effect of devaluation would be finen (excuse the metaphor), stood on its head! But we must look further into their goods are sold on to the which continues to constrain the the inture for a more stable North American market. No growth of so many engineering outcome of recent policy amount of British legislation changes and here. I must add will change the demand for UNF my own support for the switch and UNC threads in North of taxation from income to sales. America. Mr. Grobb will be

a fall in imports from recent market or denying his company currency and taxation policy the profits from it. changes. It may take a few So far as one can see from months for the new import publicity its Metrication Board trends to become char for, as has given no thought to the I have discussed with the Department of Trade the vol-umes of imports statistics can be misleading in the short-term where indices are derived from 'spot" instead of "contracted." foreign exchange rates when sterling is on a rising trend, A. G. Horsnail,

Burge and Co. 25 Worship Street, EC2.

MacMarkets merger

From Mr. A. Hill with International Stores ("Mac- erector will still call out: "un Markets deal threatens jobs," pouce vers moi - an inch my July 5), you have, perhaps unwittingly, given the impression is a much more useful dimenthat MacMarkets was in trouble sion than a centimetre. with management problems and been with the company for always weighed in pounds, even ing costs. The skilled worker

grown into a yery efficient operation; albeit relatively shaper considerable capabilities so that, despite heavy competi-tion in the High Street, Mac-Markets has become steadily

more profitable If these two points lead to the question, why a merger at all I would like to explain that it is simply because retailing is not a main-line activity for Unilever. It would have needed a high level of new investment in MacMarkets sites over the next few years to improve, or

even maintain, the present posi-tion. This could only command a low priority in Unilever's total investment strategy in relation to its main operations. Thus our thinking was that the merger plan would provide management and staff not only with a low level of redundancy but additionally a very good opportunity of future job security and A. H. C. Hill,

Unilever House.

Metric pound and inch

From the Managing Director, Ouantum Science

Sir,-The chairman of GKN tion while at the same time producing evidence that half his customers do not want it. He. does not mention what proportion of these people are still using imperial sizes because faced with the choice which he has now of either satisfying this

has given no thought to the metric inch and the metric pound. When Britain goes metric, pipe threads throughout employers, st the world will be measured in unions are all inches. The North Americans common aim. will use the national pipe thread and the rest of the world not only fully aware of the need British Standard pipe thread. If for progress in the sectors which one looks at the radiator valve. You have highlighted, but see in an overseas hotel room, one the present national negotiations stamped into the metal. This us hope that the unions too means in British Standard pipe will recognise this opportunity. Thread. If we drop the inch. A. F. Frodsham, we will be the only metric Engineering Employers. country which does not use

In common usage, it is doubt-Sir.—In your report of plans ful whether the word inch will for the merger of MacMarkets disappear. A French steel way." In so many ways, an inch

In the same way, throughout barely profitable. Indeed you Europe housewives will shop speak of both companies having in pounds—the livre of France, gone through sentor managment the pond in Holland, and the changes in the past year. As pfund in Germany etc. The far as MacMarkets is concerned, word kilo is used only to the only senior management describe an even number of change made at the end of last pounds. In a provincial marketchange mans at the end of last pounds. In a provincial market ment in certain regional areas year was brought about by the a French housewife will ask for and a scarcity of skilled labour retirement of Mr. G.D.S. Black, "trois livres de pommes—3 lbs in London and the South East. Who had been chairman for the of apples." This is 1½ kg and you do not, however, appear to have given sufficient to have given sufficient emphasis to the relationship by Mr. H. F. Thorburn, the three English pounds of apples. The stilled areas to the relationship between with the company for always waighed in nounds even in certain regional areas year was brought about 10 per cent more than to have given sufficient emphasis to the relationship between rates of pay and house waighed in nounds. if they amount to an even in Northampton or Sunderland 24, Petergate, SW11.

In fact, MacMarkets has number. A salmon will be earning £3,500 pa is not likely described as "un saumon de to be attracted to London for an vingt livres" and never as "un

country which does not have this convenient measure. In order to avoid confusion between our present pound and to the capital.
the metric pound, it may be The cost of best to invent a new name for it. Roy Jenkins. Quantum Science.

27. St. George's Road. Cheltenham, Gloucester.

Rates of pay in engineering

From the Director General, Engineering Employers' Federation

Sir,-On July 5 your second leading article referred to the joint NEDO and Manpower Ser-Commission report on labour shortages, listing two particular priorities. There were the need to improve differentials between the skilled and unskilled and the need to reduce distinctions in conditions of employment between clerical and manual unions. Engineering employers fully agree with these priorities, both of which have strongly influenced our Federation's approach to the renegotiation of the national agreement for manual workers in the

engineering industry. The reluctance of the Confederation of Shipbuilding and Engineering Unions to accept any increase in the differential between skilled and unskilled rates remains a major problem. There is, however, no other way to redress the lack of skills

companies. The EEF has proposed a major initiative in the form of joint discussions, involving both manual and stuff unions, with .the objective of achieving the harmonisation of certain terms and conditions. We see this as a vital step towards the elimination of some of the arbitrary distinctions between the office and the shop floor. There will be no progress however unless employers, staff and manual unions are all determined on a

Engineering employers are will see something like 1 as a way to move forward. Let Federation.

Changing jobs and homes

From the Chairman. Home Relocation

Broadway House, Tothill Street, SW1.

Sir,-As you so rightly say in your leader column (July 5) the Prime Minister should let 'market forces" operate without restraint to correct the im- a fine record of integrity and exbalance between high unemployment in certain regional areas

sion 31st annual session opens, London (until July 13). additional £2,000 a year when saumon de dix kilos."

Again, if we drop the pound £6,000 equity he has in his comwe will be the only metric fortable detached home in Sccretary: Sir David McNee, Metropolitan Police Commissioner; and Mr. Patrick Jenkin, Northampton will only provide a Social Services Secretary; speak deposit on a flat or terraced at Department of Health conferaccommodation when he moves ence on intermediate treatment

> The cost of housing (even more than crippling commuter fares) is what deters skilled and professional people from accepting marginally higher paid appointments in or near London. There are scores of case histories where carpenters, school-teachers young civil servants and middle management have declined the opportunity of taking up higher paid posts in London because

Home Relocation 21 Soho Square, W1.

Loss making in steel

From Mr. D. Green

Sir,-Roy Hodson's comment (July 4) on the dismal figures the substantial contribution of the Welsh Division to the losses in particular - deserves one postcript on relative as opposed to absolute losses. If one divides the divisional losses by the numbers of employees one has a rather different league Tubes division-

£774 profit per employee £738 loss per employee

Scunthorpe— £1,411 loss per employee £1,995 loss per employee

£3,231 loss per employee £7,155 loss per employee Assuming that British Steel adopts fairly standard manning

criteria - and without denying that its whole undertaking needs attention—it would seem that a rather different emphasis is required to that afforded by Mr. Hodson. David Green Rhyd yr Harding, Castle Morris, Near Haverfordwest.

A near-perfect money market

From Mr. K. Bishop. Sir,-The Government has de cided that market forces should be allowed to operate freely in the present petrol shortage. The Government has equally decided to try and persuade the build-ing societies to go against the current of the present money

There is little justification for this inconsistency. Although higher interest rates will penalise present mortgages, the lack of funds will mean fewer mortgages granted to first home buyers. Our building societies have a fine record of service rendered to the community and pertise. The Government needs to think very seriously before upsetting the delicate balance of what has aways been a near "perfect" money market; a mar ket in which the vast majority have an interest, either as investors or borrowers.

Today's Events

Workers Union conference opens, non-financial executive, London. Turkish Foreign Ministry, dis-International Whaling Commissave energy on the Underground. Mr. William Whitelaw, Home the trawler Boston Sea Ranger off Cornwall (December, 1977), false prosecution of Government Great Yarmouth.

Overseas: Central governors meet in Basle. U.S. Senate discusses ratification of UK-U.S. double tax agree-

Financial Times/City Univer-Byron Theodoropoulos, Mr.

Greater London Council com- cuss control of the Aegean, mittee discusses experiments to Athens (until July 11). Mrs. Indira Ghandi, former Investigation opens into loss of Indian Prime Minister, appears before special court charged with

> PARLIAMENTARY BUSINESS House of Commons: Committee stage of Finance Bill. Motion on Customs Duty (Personal Reliefs)

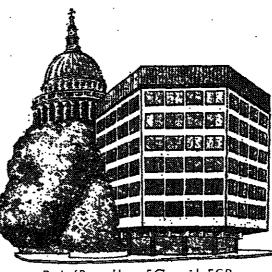
House of Lords: Northern sity two-week course opens on Greek Foreign Ministry secretary Ireland Act (Interim Period Exfinancial management for the general, and Mr. Ozdemir Yigit, tension) Order 1979. Northern

Ireland (Emergency Provisions) Act 1975 (Continuance) Order 1979. St. Vincent Termination Association Order 1979. Britain's contribution to EEC Budget

OFFICIAL STATISTICS Department of Industry publishes wholesale price index numbers (June-provisional). COMPANY RESULTS

Final dividends: Carolo Engineering Group; Graig Shipping Company; Marler Estates; May and Hassell; Second Great Northern Investment Trust, Warner Holidays. COMPANY MEETINGS

See Financial Diary on page 18.



If banking is a service business. then it should be on service that you judge a bank.

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We've spent 57 years in the City, building an organisation to caterforthe toughest judge of all: the financial professional.

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standards lifyou give the best service, you have the best bankl. And it works.

We are one of the top ten US infernational banks, and a major force in correspondent banking. And six out of the top ten companies in the prestigious

"The Times One Thousand" are our customers. Do you put a premium on service too?

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Intnl. Timber continues with cautious optimism

be beneficial to International Timber Corporation. "A continuance of cautious optimism appears justified," Mr. R. E. Groves, the chairman, tells

Referring to the acquisition of Bambergers, he says the drawing together of the two groups should produce very worthwhile benefits both in reduction of costs and expansion of business.
Acquisition of three addirional builders' merchants branches in Essex from Bolton and Paul has also extended coverage in that area. Arising from the need to pro-

vide replacement premises for Bambergers, timber distribution depot in Bristol, directors have acquired since the year-end, a recently developed site from a competitor in Avonmouth which will give a significant boost to this year. trading in that area. Medium

rading in that area.

For the year ended March 31, 1979, the group reported pre-tax profits up from £5.57m to £8.05m on external sales of £167.4m against £134.7m. CCA profit is reduced to £4.14m after adjustments for depreciation, £1.65m, cost of sales, £4.04m and gearing,

The chairman says the programme of improving operational efficiency and making the best use of assets has continued. Sales of surplus freehold sites, compared to the anticipated cash inflow mentioned last year of at least £1m realised nearly £2m. least £1m realised nearly £2m. The following securities have Further disposals are planned been added to the Share Infor-

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

Interims:—Eurotherm International, Status Discount.
Finals:—Carclo Engineering, Graig Shipping, Marier Estates, May and Hasself, Rothschild Investment Trust. Second Great Northern Investment Trust. Warner Holidays.
FUTURE DATES

1	Interims:— Jacobs (John 1.) Macpherson (Donald) Morgan Crucible Finals:—	JUIY	10
-	Acrow	Aug	7
r	ACTOW	mun,	٠
ŗ	Heron Motor	JUIY	1/
1	Laurence Scott	July	26
ı	rantance acost	1	40
•	MFI	JUIY	10
	Town and City Properties	AluL	13
1	Watson (R. Kelvin)	India	12
_	AASIZOU (N. VAIAILLI	JUTT	14
3	Wyndham Engineering	J⊓ I À	25

Medium-term loans of up to seven years arranged with some of the clearing bank lenders in the UK now total £15m. These, together with the proceeds of the rights issue, will reduce short-term borrowing and strengthen the balance sheet, thereby providing a base for further growth and expansion.

FT Share Information

Financial Times: Jostens Inc. (Section: Overseas-Shaw and Marvin (Textiles).

Rotaprint seeking new money

ADDITIONAL working capital is required at Rotaprint and the Board is studying various prospects for the introduction of new funds on favourable terms, Mr. G. C. Nichols, chairman, tells shareholders.

The aim of the Board in introducing new capital will be to enable new products to be fully exploited and overall level of borrowings to be reduced, the chairman savs.

Rotaprint is a co-defendant in a claim for damages of some £4m, started by the joint receivers and Judicial Administrator of S. A. R. L. Guyot Fourthault, the company's former distributor in France. The claim is contested by the company and the other co-defendants and is subject to French law. Rotaprint is receiving legal advice in France. The company and the co-defendants are of the opinion that the claim is without substance and consequently no provision has been made in the

Chloride expects growth despite adverse market

Chloride Group is expected to be tough this year with over-capacity and severe price competition in many of its markets, Sir Geoffrey Hawkings, chairman, says in his annual

report.
The general world economy is: also expected to remain sluggish with low forecast growth rates in Europe and a slowdown in

1979, pre-tax profits rose from £25.1m to £29m on sales of

being made to bring loss-making engineering companies back into profits, says Mr. W. E. Luke, chairman of Lindustries, in his

He adds that last year the

substantial losses suffered by Cowlishaw Walker and Delaney

Gallay Dynamics discounted the

excellent performance of the other engineering companies.

Profits of the engineering opera-tions rose slightly from £3.16m to £3.26m, while the group tax-

able surphis expanded from £6.53m to £7.24m.

While efforts are being made

to turnround engineering loss-makers in the case of Cowlishaw

Walker the company's viability depends on the volume of orders

from the National Coal Board,

However, of late, the Coal

Board's requirements have been smaller than in the past.

The other engineering com-

panies are in good shape and have started the year with good

group taxable profits at £3.8m,

against £3m, after adjustments

for depreciation £1.4m (£1.5m), cost of sales £2.6m (£2.9m) and gearing £601.000 (£603.000).

Meeting. The Dorchester, W1, on July 31 at noon.

The report to policyholders

from Property Growth Assur-ance, a member of the Phoenix

Assurance Group, for 1978 shows

that the Agricultural Fund had a successful nine months to the

end of December with the unit

price rising by 13.6 per cent. The fund acquired 1.641 acres

The main Property Growth

Fund had a unit price rise over the whole of 1.978 of 12.4 per

cent, with the value of the fund standing at £32.5m at end-1978.

The Retirement Annuity fund

had a price increase of 8.2 per

cent over the nine month period

Immediate Annuity Fund showed a 10.8 per cent rise in

The Equity Fund had a steady

performance over the period with a unit price rise of just

price with a fund value of £4m. Mon

over 9 per cent, in general the Fri./Sun.

PGA fund

over £20m

order books, says Mr. Luke. A current cost statement shows

Mr. Luke points out.

annual statement.

improved profit while Chloride Overseas had a generally performance improved Australia. In Chloride America there was a welcome increase in profit, which was more than doubled.

the U.S. economy.

Despite these unfavourable of lead and its possible effects external factors, the chairman on health, the chairman says expects the group to centinue to the main problems are emission. external factors, the chairman expects the group to continue to achieve growth in both sales and profit.

The the year ended March 31, at ground level, both within and related plants. outside plants.

investment programme 2346.1m compared with £306.2m. takes full account of the need to CCA profit is reduced to £13.8m comply with the limits pre-

Fund, however, showed a fall of

4.4 per cent in unit price and its

value remained unchanged at £3.7m. The Money Fund has a

unit price rise of 5.4 per cent and stood at £4.7m on December

NCNR turns

The directors have decided to

consolidate NCNR's 83.7 per

cent share of its subsidiary,

Exploration and Production Services (Holdings) which puts

the 1978 pre-tax figure at

The current year has started well at Caffyns, motor dealer and

turnover for April and May

compared with last year, Sir Edward Caffyn, the chairman, says in his annual statement.

the net few months, the company faces higher interest rates, petrol

However, he warns that during

IMCO MONEY FUNDS:

Saturn Investment

Management Co. Ltd. 66 CANNON STREET EC4N 6AE Telephone: 01-236 1425

14.187

14,281

14 766

% p.a. 13.770 13.796

13.S58

with increased

Caffyns

engin**eer**,

during the period and passed faces higher interest rates, petrol the £20m mark to reach £21.3m price increases and a major rise on December 18.

reaching £2.1m in size, while the Immediate Annuity Fund Rates paid to W/E 8th July 1979

Call 7-day

starts well

after adjustments for depreciation, £3.4m, cost of sales, £18.5m ties throughout the world.

This children is for depreciation, £3.4m, cost of sales, £18.5m ties throughout the world.

Directors have just commissioned at Abbey Wood in Emdon

Directors have just commis-sioned at Abbey Wood in Eondon the most advanced environment smelter control equipment in the world at a cost of £500,000, which represents half the cost of a total modernisation programme on this site.

Additionally, of the total of £20.9m spent on new plant and equipment throughout the group. during the year, £5.4m was for improved environmental and amenity purposes.

Sir Geoffrey is retiring after the annual meeting and will be succeeded as chairman by Sir Alastair Pilkington

Lindustries tackling loss makers STRENUOUS EFFORTS are fund was fully invested over the in VAT, in addition to restrictions made to bring loss-making period and its value at the end tions in the supply of petrol and engineering companies back into

SHARE STAKES

Although confident in the long term outlook, the directors are more cautious in the short Meeting, Eastbourne, July 28, sold 10,000 shares.

BIDS AND DEALS

Simon Eng. in deal for plant hire assets

Simon Engineering the process bant contracting group, has greed to acquire the assets of Brinity Plant Hire from the Receiver of JCEG, for £730,000 Trinity operates a plant here Throgmorton Trust now holds business from Cassington near 579,397 ordinary shares (6 per Oxford, with regional depots at cent).

Witham near Chelmsford, Bridg-London and Liverpool Trust and and Burntwood, near Lich-Stroller Securities has bought an

field.

In August last year Simon-bought Northern Engineering's 50 per cent shareholding in Cheadle Plant Hire with the declared intention of expanding its plant hire business. The acquisition of Trinety as an operating thivision of Cheadle Plant Have, is in time with this

policy.

The four established depots with when added to Cheadle's existing depots in the North-west, north-east and South Yorkshire. provide Simon with wide regional coverage over England and

Feeder Agricultural Industries J. R. Williams, director, sold

Bell Samuel Group Viscount Bearsted's beneficial interest been reduced to 1,536,002 by sale of 174,548 charge.

London Midland Industrials.

Stroller Securities has bought in additional 201,050 chares bringing their holding to 265,050 chares. W and A Investment Corporation, through a wholly owned subsidiary has increased to holding to 26,050 chares. its holding to 970,000 shares by buying 220,000 shares

Hill Samuel Group—The beneficial holding of Viscount Bearsted has been reduced by 1536,002 by the sate of 174,532

shares. L. J. Dewhirst Holdings A. J. ... Dewhirst Holding A. T. Dewhirst director has sold: 133,000 shares bringing his holding to 796,076. M. S. Dewhirst sold 133,000 shares bringing his holding to 1.138,733. Mrs. K. McQueen, wife of a director, has sold 9,000 shares.

Smith St. Anbyn and Company (Holdings)—J. D. Mackingon sold 15,000 shares on July 3 at 106p. D. Mackington sold 31,981 shares on July 3 at 100p.

INTERNATIONAL TIMBER:

The year starts well

Extracts from the Annual Statement by the Chairman, Mr. R. E. Groves.

The outstanding event for the Group during the year was the acquisition of Bambergers Ltd. and plans for full integration were largely completed by the financial year end. The drawing together of the two Groups should produce very worth-while benefits both in reduction of costs and expansion of business.

During the year under review world timber prices moved up and demand was somewhat better than in 1977/78. The final quarter of the financial year was most disappointing. The weather badly affected trading, especially in the North, but the real blow was the effects of the national transport strike, the adverse effect of which on pre-tax profits throughout the Group was of the order of £3 million. Following this, the year finished on a strong note in March.

With the inclusion of the second haif year of Bambergers the Profit available after Tax for dividend is £4,232,000.

Your Directors are recommending that the total dividend be increased by the permitted maximum to 8.0865p per Ordinary Stock Unit, which following the interim already paid of 3p requires a final payment of 5.0865p.

Balance Sheet

The programme of improving operational efficiency and making the best use of assets has continued. Sales of surplus freehold sites have continued and further

disposals are planned this year. The outstanding balance of just over £2 million of Unsecured Loan Stock was converted to Ordinary Stock during the year.

Medium term loans of up to seven years arranged with some of our clearing bank lenders in the UK now total £15 million. These, together with the proceeds of the recent Rights Issue, will reduce short term borrowing and strengthen the Balance

Future Prospects

likely to be any easier in the coming year. The pick up in trading which occurred in March has continued into the first two months of the current year. Sales for this period were up by 18.2% on a year ago. For the first part of the year at least the continued increase in timber prices will be beneficial. A continuance of cautious optimism appears justified.

Financial Highlights for the year ended 31st March 1979

Copies of the Annual Report for the year ended 31st March 1973, containing the Chairman's Statement in full, are obtainable from the Secretary, International Tumber Corporation Limited, Carpenters Read, London E15 2DY,

ART GALLERIES

AGNEW GALLERY, 43 Old Bond St., W.1. 07-629 6176. Exhibition of OLD MASTER PAINTINGS. Until 27 July. MonFri. 9.30-5.30. Thurs. until 7.00.
AGNEW GALLERY, 43, Old Bond St., W.1. 01-629 6176. PERSIAN MINIATURES. An Exhibition of seventeen pages from the Houghton Shannamen. Until 24 August. MonFri. 9.30-5.50. Thurs. until 7.
ANTONY d'OFFAY, 9. Dering Street, New Bond Street, DAVID JONES, MonFri. 10-6. 01-629 1578.
DAVID CARRITT LIMITED, 15, Duke Street, St. James's, S.W.1, COROT AND COURBET, Until 13 July, Mcn. Fri. 10-5.
FIELDSDURNE GALLERIES, 63. Ovecas Grove, N.W.8. 586 3600, RCDNEY BURN, R.A. Eightieth Eirthday Exhibi- tion. Lr. GALLERY. Contemporary Artists of the English School.
FINE ART SOCIETY, 148, New Bond St., W.1. 01-629 5116. SUMMER EXHIBI- TION and WORKS UNDER £500.
PAINTINGS. Weetdays 10-5. Sat. 10-1. At 30. Bruton Street. London, W.1. Tel. 01-493 1572.
MARLBOROUGH. 5, Albemarie St., W.T. EGON SCHIELE, Exhibition of water- colours and drawings until 31 August. MonFr. 10-5.30. Set. 10-12.30.
SABIN GALLERIES, 4. Cork Street, W.1. 01-734 6186. EXHIBITION OF ENGLISH PAINTINGS 1611-1830. Monday-Friday 9.30-5.30.
SANDFORD GALLERY. Covent Garden. 1. Mercer Street. W.C.2 unf Long Acrel. 01-279 6905. MonSat. 11-6. SUMMER SHOW of Paintings & Sceipture. Ircluring Sandra Blow. R.A John Pelling. Alan Dyer. Ted Atkinson and Chris Dunscath.
WADDINGTON GALLERIES, 31. Cork Street, W.1. 439 1866. HENRY MOORE Drawings and Watercolours 1927-55. Erd July-28th July. Daily 10-5.30. Sats. 10-1.

DRIAN GALLERIES, 7. Porchester Place, Marble Arth. W.Z. Selection of DRIAN ARTISTS—Sculpture, Paintings & Prints. Till 16 July. 10-5. Sat. 10-1. 01-723 9473. GALERIE GEORGE, 96-98. George Street, W.1. 01-935 3322. Fine 19th and 20th Century British & Buroccan oil paintings, watercolours and graphics of Acen trade prices. 8:100-52,000. Mon.-Fr. 10-6. MALL GALLERIES. The Mail. S.W.1.

MALL GALLERIES. The Mail. S.W.1.

Animals and Toadstools by Suzanne Lucas,

VPRMS, FRHS. SWA, UA. Mon-Fri.

10-5. Sats. 10-1. Until July 14th.

Adm. Free.

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EYE has ontived the others because of a policy of fair play and value for money, Suppers from 10-3-30. Disco and too musicians, glamorous Hostesses, Exching Boor shows. 189, Repent St. 734 0557. GARGOYLE, 69, Dean Street, London, W.1. NEW STRIPTEASE FLOORSHOW - AS YOU LIKE IT 11-3.30 sm. Shows at midnight and 1 am. Mon.-Fri. Closed Saburdays. 01-437 6455.

WORLDWIDE FUND LIMITED A commodity futures trading

lund Net Asset Value per \$1 share as at 29th June, 1979, \$13.16.

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Sheet, thereby providing a base for further growth and expansion.

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Sales	£167,396,000
Trading profit	£9,583,000
Profit before taxation	£8,046,000
Profit after taxation	£4,232,000
Ordinary capital & reserv	es£51,029,000

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U.S. \$100,000,000 Floating Rate Notes 1989 Extendible at the Noteholder's Option to 1994

Notice is hereby given pursuant to the Terms and Conditions of the Notes that for the six months from.

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> Agent Bank: European Banking Company Limited

LOCAL AUTHORITY BOND TABLE

f	Annual gross interest	pay-	t Minimun sum	Life of bond
parentheses) Redbridge (01-478 3020) Redbridge (01-478 3020) Wrekin (0952 505051)	. 124	i-year i-year annual	£ 200 200 1,000	Year 4-5 6-7 4-5

FINANCE FOR INDUSTRY TERM DEPOSITS Deposits of £1,000-£50,000 accepted for fixed terms of 3-10 years. Interest paid gross, half-yearly. Rates for deposits received not later than 20.7.79.

Deposits to and further information from The Chief Casbier, Finance for Industry Limited, 91 Waterloo Road, London SE1 8XP (01-928 7822, Ext. 387). Cheques payable to "Rank of England, a/c FFL." FFI is the holding company for ICFC

Baraoora off to a slow start

The current season got off a a to the electricity grid and the proved in health and vigour is dry and slow start on the extra power new available will now able to recover from the estates of Baracora Tea Holdings.

By mid April the crop was about allow for the much needed effects of drought more readily additional machinery to be in than before Sir Colin says.

17 per cent behind that seen at the same time in 1978. However conditions now appear more favourable and, if these continue, in the first half. There was rapid grally lower than in 1977. Prost the shortfall may be made good, improvement when rain came duction costs were substantially as happened last year, says Sir and by the end of the season higher, primarily because of all the crop on three estates was 3. 74 per cent jump in labour facilities to cater for increasing year. in £542,000 After eliminating income and expenditure relating to the assets used in November, 1977, pre-tax profit of New Court operates oilfield services and roven oil and gas properties in the U.S., rose from £201.000 to £542,000 in the year ended March 31, 1979.

Earnings per share are shown to be up from 0.41p to 2.23p. The net dividend is increased by 10 per cent to 0.55p.

facilities to cater for increasing year. crops to Rasidpur and Dragon. Estates had been restricted by nstates had been reduced by connection policy and the tea having in (£1.68m).

sustained their confidence in the £427,923 though sales were of

year. The effect was to deprese.
This was satisfactory and taxable profit from 1837,578 to

This advertisement is placed by N. M. Rothschild & Sons Limited on behalf of

AURORA HOLDINGS LIMITED To the Ordinary Shareholders of EDGAR ALLEN, BALFOUR Limited

A further circular containing a letter from the Chairman of Aurora was dispatched to EAB shareholders on Thursday 5th July.

You are reminded that:

* Acceptances of Aurora's Offer should be received by 3.00 p.m. on Wednesday, 11th July, 1979. THE OFFER WILL NOT BE INCREASED.

* The Cash Offer will not be open for acceptance after 3.00 p.m. on Wednesday, 11th July, 1979.

★ The Cash Offer is equivalent to 69.55p for each EAB ordinary share and represents a price earnings ratio 19.5 times forecast profit of EAB after applying a full

* The Share Offer provides an increase in dividend income of 174 per cent.

The Board of Aurora remains convinced of the advantages of the offer to both EAB and Aurora and, accordingly, you are strongly recommended to accept the offer.

The Board of Aurora Holdings Limited has taken all reasonable care to ensure that the facts stated and opinions expressed herein are fair and accurate. All the Directors of Aurora Holdings jointly and severally accept responsibility accordingly.

All these bonds having been sold, this advertisement appears as a matter of record only.



Nordic Bank Limited

Swiss Francs 45,000,000

5% Swiss Franc Bonds of 1979 due 1989

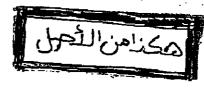
Nordfinanz-Bank Zürich Clariden Bank

ARMAND VON ERNST & CIE AG 🗆 BANCO DI ROMA PER LA SVIZZERA BANK UND FINANZ-INSTITUT AG BANQUE DE L'INDOCHINE ET DE SUEZ, SUCCURSALE DE LAUSANNE CAISSE D'EPARGNE DU VALAIS 🧸 CIAL, CREDIT INDUSTRIEL

D'ALSACE ET DE LORRAINE

Kredietbank (Suisse) S.A. Lloyds Bank International Ltd

FUJI BANK (SCHWEIZ) AG GEWERBEBANK BADEN HYPOTHEKAR- UND HANDELSBANK WINTERTHUR MAERKI, BAUMANN& CO. AG MORGAN GRENFELL (SWITZERLAND) S.A. SPARKASSE SCHWYZ



CURI man

deal CAB ready to pronounce assen on National Airlines bids

BY JOHN WYLES IN NEW YORK

awaited decision tomorrow on naturnal markets.

whether National Airlines A Texas International National

The CAB's decision could force.

The CAB's decision could force.

Alter the face of the U.S. air. for CAB approval for either line industry if it allowed Pan merger 10 not appear bright. American World Airlines, or CAB administrative law judge both to press ahead with merger ambitions. If Pan Am won clearance to tender its has recommended that both would won clearance to tender its has recommended that they be Si2Rm bid which is being supported by National's Board, the newly-created airline would be the second largest in the U.S. White House, because airlines and would give Pan Am a domestic route system which it involved. If the CAB were to

Israeli bank

sale approved

should remain independent as marger, on the other hand, the country's 11th largest would raise the Texan airline carrier or whether at least two from relative obscurity as a takeover bids should be small regional carrier to a allowed to proceed.

THE U.S. Civil Aeronautics claims it needs to be a more follow its administrative law Ecoard will make its long efficient competitor in interpolation in the same intense lobbying pressure will be brought to bear on the President, and not only

Am and has run into a negative

ruling from a CAB judge.
Eastern would oppose any presidential approval for National to merge with either of its two rivals, while other

North Central and Southern Airlines, the CAB has not yet pronounced on a major merger case since the passage of the airline deregulation Act last November.

Earnings rise at Sanyo

by Knesset By L. Daniel In Tel Aviv THE SALE of the Israeli Government owned. Shipping Bank to Mr. San! Eisenberg has

been approved by the Knesset (Parliament) finance committee. The bank owns substantial real estate and the purchase price

mittee held that this figure was too low. Another objection wasthe identity of the buyer. When the bank was first put on the sales of such sammer, electric market, the Government said it appliances as air conditioners did not want to sell to the exist of tape recorders also helped further concentration in this boost sales and profit.

Despite higher oil prices and depends on exports for more thair impact on the economy in foreign exchange fluctuations.

appliances in Japan, amounced a 15.3 per cent rise in parent company net profits to Y8.47bu (\$29.7m) in the half-year anded in May from Y5.61lbn a year receiver.

Sales totalled Y271.6bn, a 5.4 estate and the purchase price per cent increase from has been set at \$10.5m.

The sale came under criticism share went up to Y8.71 from as some members of the commutee held that this figure was

The company attributed the net profit increase to improved efficiency, as well as to brisk sales of such summer electric

by the three principals.

Eastern Airlines wants to make a \$50 a share bid like Pan

airlines such as Braniff might be expected to argue for maintaining National's independence. Apart from authorising the merger of two small regionals,

outpaces sales growth

pany, one of the major inte- • AKAI ELECTRIC, a leading grated manufacturers of electric manufacturer of high-grade tape decks in Japan that heavily depends on exports, saw its net profit in the half-year ended May 20 tumble to Y13m (\$60,000) from Y288m (\$1.3m) in the comparable year-earlier period, despite a slight increase

in sales.

Sales rose by 4.3 per cent from Y22.6bn to Y23.6bn. "Fundamentally, there's only one reason for the net profit decline, and that's excessive

recently acquired 50 per cent the second half the company is foreign exchange fluctuations control of flie Frist Inter boping to achieve earnings did not contribute to the loss. national Bank of Israel. Y14bn on sales of Y570bn, 8 per AP-DJ

Hopes of continued profits at A & P

CHARLOTTE—Great Atlantic and Pacific Tea expects to be profitable again during the current second quarter and the third quarter of this year, Mr. told the annual meeting.

For the first quarter ended May 26, A & P reported net earnings of 19 cents a share on sales of \$1.66bn compared with a loss of 40 cents a share on sales of \$1.81bn in the comparable period a year ago. The company has 289 fewer stores than it had a year ago.

In the whole of last year, A & P incurred a \$52,2m loss against net earnings of \$569,000

Mr. Scott said that A & P was spending \$80m on new and remodelled facilities this year, including 50 or more limited assortment stores. The stores will carry only 450 to 1,000 items at discount prices with reduced services and limited perishable departments.

Asbestos hearings extended

THE QUEBEC Superior Court has extended until today hearings on Asbestos Corporation's request for an interlocutory injuction preventing the Quebec Government from taking any action against its Quebec-based assets under recently enacted provincial expropriation legisla-

Asbestos, 54.6 per cent owned by General Dynamics of the U.S., asked for the injunction indefinitely pending the court's lation is unconstitutional and beyond the powers of the Quebec National Assembly.

CURRENCIES, MONEY and GOLD

European rates' upward spiral

steadily last week in Europe, as was primarily in response to the objects one country after another recent outflow of funds, as investing of a mouth of the comming increased various rates, to create money were becoming increased war on the already more on the already more on the EMS. something of a snewball effect: ingly attractive outside their own mechanics of the EMS would be a country.

A simple analogy would be to a country.

train travelling inexorably along the line to higher interest rates. The overall problem stems the line to higher interest rates. The overall problem stems inevitable, and officials at the Sow old west German Bundeshank would be unpleasant to contemplate. However, such a move does seem inevitable, and officials at the Sow old west German Bundeshank would be unpleasant to contemplate. However, such a move does seem inevitable, and officials at the Sow old be unpleasant to contemplate. tries are sad to board, while within hardly any can afford to miss it. System.

A prime example is Sweden. whose discount rate had notmoved for nearly a year until last Thursday. It was then that the authorities announced a 1 per

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The

CURRENCY RATES

terles & a	Bank	Special Drawing	Europe
July 6		Rights.	
Sterling	14	0,584194	
U.S. S	91g (1.29980 1.50563	1.6790
Austria Sch	B	17.4689	18.527
Belgian F	9	38.1230 6.85217	
D mark	212	2.37888 2.62163	2.5258
Guilder	912	5.55484	5.87676
Yan	101-	1069.89	1155.90 209.34
Newgo, K	. 2 .	6,54986	6.966BE
Spanish Pes.		85.9156 5,81016	5.8501

Interest rates were climbing zentalijke to 7 per cent. This sort of realignment won

within the European Monetary System. Belgium has felt obliged to act in support of the franc in accordance with each country's inwritten undertaking to take steps once their currency has reached a certain divergence from its ECU central rate. This has seen the Belgians increase their Lombard rate to 11 per cent as the latest in a long line of upward shifts. Other members have naturally felt the pinch with France pushing up its official money market intervention rate both on Thursday and Friday to 81 per cent, having stood at 8 per cent less than three weeks previously. The Dutch also kept the ball rolling by introducing the second rise in their discount rate in five weeks, and it now stands at 71

Clearly this upward spiral canwiss Fr. 1 2 14487 2.87748 not continue indefinitely. Some

	;	adia c	auty 0
	Gold B	ullion (fin	e ounce)
	Close	289 L ₂ -29(14:528712-2881
	'id	£ 129.7. 150.	2: (£128.9-129.2)
uld seem	OpeningS	29012-291	114 \$28412.2851
Mr seem			7) (£127.0-127.4)
answer.		290.20	£286.75
· · · · · · · · · ·	fixing,	£130,456;	£127.473)
f such a		290.25	,5288,25
complex ·	fixing	E130.537	Jul 129.000)
would be	Gold C	oins, dom	estically
	M	000 701	1400E1 00E1

unpleasant to contemplate. However, such a move does seem lever, such a move does seem lever, and officials at the West German Bundeshank would leave the lever seem lever lev be quick to agree, since it is

be quick to agree, since it is primarily the strength of the D-mark and its ability to absorb shocks such as the latest rise	Gold Coins, Internationally Krugerrand, \$299-301 \$29519-28719 \$29519-28719 \$29519-28719 \$2132_133_9 \$25-77 \$7914-7814 \$7914-7814 \$2193 \$004reigns (£8334-3434) \$231-33
in oil prices, that has set it apart from its fellow EMS partners and caused so many headaches	Sovereigns (£413, 423) /2403, 413, \$20 Eagles., \$424-429 \$10 Eagles., \$229-234 \$227,332
for the weaker members.	5 Eagles \$163-168 \$162-167

OTHER MARKETS

although the effects of

July 6	3.	. \$		£ Note Rates
Argentina Peso.			Austria	29.5-30.5
Australia Dollar	; 1.9755-1.9795	0.8895 0.8915	Selgium	68.5.69. 5
Brazil Cruzeiro	57.45.58.45		Denmark	11.70.11.85
. Finland Markka	8.5675 A 6775	3.8545.3.8565	France	9.40-9.55
Greek Drachma-			Germany	4.04-4.14
Heng Kong Dollar		B.1180-5.1210	italy	1,800-1,825
Iran Rial	161.14-166.82	72.55-75.10	Japan	480-490
Kuwait Dinar (KD	0.612-0.622	0.2761-0.2762	Netherlands	4,44,4,50
Luxambourg Fre.	65.40 65.50	29.43-29.45	Norway	11.20-11.30
Malaysia Dollar	4.79.4.80	2.1625 2.1635	Portugal	102-106
New Zealand Dir.	2.1840-2.1900	0.9835-0.9860	Spain	144-148
Saudi Arab, Riyal	7.48-7.58	3.3650-3.3690	Switzerland	3.60-5.70
Singapore Dollar.		2.1615.2.1625	United States	
Sth. African Rand	1.875-1.885	0.8445-0.8490	Yugoslavia	41.44

Rate given for Argentina is tree rate

THE DOLLAR SPOT AND FORWARD

					·	
July 6	Day's spread	Close	One month	% p.s.	Three months	7. p.a
UK†	2.2150-2.2410	2.2200-2.221	0.68-0.58c pm	3.40	1.72-1.62 p	
Irelanot		2.0555-2.080	5 1.30-1.70c pm	7.00	3,50-3.20 p	an 6.5
Canadat		85.04-86.07	- par-0.02c dia	-0.14	0.75-0,45 p	m 0.2
Nethind.	2.0755-2.0185	2.0156-2.017	5 . 0.39-0.28c ym		-0.59-0.48 p	m : 1.6
Belgium ·	29.33-29.43	29.40-22.43	gar-2c dis :		7-10 dis	-1.1
Denmark		5.2575-5.2690			5.25-5.75di	
W. Ger		1.8345-1.835	0.89-0.79at pm		1.95-1.85 p	m . 4,9
Portugal	48.65-48.85	48.72-48.65	35.45c.dis		90-130 dis	9.6
Scen	66.11-68.15	68.12-66.15			115-135 dis	
italy . '	822,95-824.00	823,60-824.00	2.75-9.75 line di	s 4.73	8.5-9.5 dis	-4,3
Norway		5.0508-5.0518		1.07	1,70-1,20 p	m 1,1
France	4.2590-4.2650	4.2600-4.262		0.70	7.40-1.60di	g 1.1
Swaden	4.2415-4.2440	4.2425-4.2432			0.15-0.35dk	
7909u 344909u	216.30-217.40	217.25-217:英	1.20-1.10y pm		2.80-2.65 p	m 5.0
Austrie	13.442-13.46	12 4F-12 46	5.25-4.75oro on	4.48	11.75-10.25	pm 3.2
Switz.	1.6470-1.6600	1.6575-1.6585	- 1.53-1.48c pm	10.90	4.04-3.99 pt	m 9.8
DANING.	1.0414-6.0004		11 C		COMPAND OF	atta i uttiti

	Day's				Three	
July 6	spread .	· Close	One month	pæ.	months	P
U.S.	2.2150-2.2410	2.2200-2.2210	0.68-0.58c pm	3.40	1.72-1.62 pm	3
Canada:	2.5670-2.5050	2,5730-2,5740	0.85-0.75c pm	3,73	1.85-1.75 pm	2
Netbind.		4.49-4.50	23,-13tc pm	5.00	47s-37s pm	3
Belgium	65,10-65.90	65,40-66,50	20-10c pm	2.75	40-30 pm	2
	11.70-11.80	11.71-11.72	1-21aore dis		2 ¹ 4-4 ¹ 2 dis	-1
Ireland .	1.0770-1.0870	1.0775-1.0785	27-37p dis		82-92 dis	-3
W. Ger,	4.08-4.11	4.073-4.083	31-21-pt pm	8.81	74-62 pm	7
Portuga)	- 108,00-109,75	108.00-108.30	40-100c dis		120-220 dis	3
Spain .	146.90-147.80	146.95-147.05	45-95c dis		125-225 dis	-4
faly .	1,829-1,844	1,8311-1,83212	par-2 lire pm	-0.65	6-7 dis	-1
Norway	11.21-11.32	11.221-11.231-	51 ₄ -31 ₄ ore pm	4.54	712-70 pm 🗀	3
France	· 9.45-9.58	8.47 ¹ 2-8.48 ¹ 2	2 ¹ 7-? ¹ 70 pm		44-31c pm	.1
Sweden	9.42-9.50	9.43-9.44	3-1ore pm		7-5 pm	- 2
Japan :	430-490	4823-4834	4.10-3.80y pm	9.8 6.	9.85-9.55 pm	
Austrie	. 29.82-30.12	29.90-28.95	22-129 pm		50-40 pm	•
Switz.	3.66-3.71	3.6812-3.6912	4's-3'sc pm	14.23	124-114 pm	12

EXCHANGE CROSS RATES

July 6 (PoundSterling). U.S. Dollar Deutschem'id Japan'se Yen FrenchFranc; Swiss Franc Dutch Guild'ri Italian Ura (Canada Dollar Belgian Franc											
July 6	PoundStarling	U.S. Dollar	Deutschem'i	d Japan'se Yen	FrenchFranc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc	
Pound Starling	1. 0.450	9.221	4.083 1.889	483.3 217.6	9.480 4.269	3.690 1.662	4.495 2.024	1852. 825.0	2.574 1.159	65.45 \$9.48	
Deutschemark Japanese Yeh 1,809	0.245 2.069	0.544 4.595	1 8.448	118.4 1000.	2.522 19:62	0:904 7-636	1.101 9.302	448,7 3791.	0.630 5.825	16.03 135.4	
French Franc 19 Swiss Franc	1.055 0.271	2.542 0.602	4.506 1.106	509.8 151.0	10. 2.569	3.892 1.	4.742 1.218	1932. 496.5	2,715 0,697	- 69:04 17.74	
Dutch Guilder Italian Lira Loss	0.222 0.546	0.494 1.212	-0.906 2.828	107.5 263.8	2.109 5.175	0.821 2.014	2.454	407.6 1000.	0.575 1.405	14:56 -35.78	
Canadian Dellar	0.389 1.528	0.863 3.898	1,586 6.238	187.8 738.3	-5.684 14.48	1.434 5.638	1.747 6.868	711.9 2799.	5.952	25.45 100.	

LONDON	MOKE	יים ו הערנ				·	<u> </u>			
July 5 1979	Sterling Certificate of deposit	interbenk		Local Auth, negotiable bonds	Finance House Deposits	Company Deposits		Treasury Bills &	Eligible Bank Bills &	Fine Trade Bills &
days notice days notice days notice days notice he months he months fix months he year	14: 14 14: 15: 14: 15: 15: 15: 15: 12: 19: 12: 12: 12:	151 ₂ 143 ₄ 141 ₂ 143 ₆ 141 ₅ 141 ₆ 131 ₅ 141 ₆ 134 137 ₈ 121 ₆ 137 ₆ 121 ₆ 137 ₆ 121 ₆ 137 ₆	141 ₈ -141 ₈ 143 ₈ 141 ₄ -141 ₉ 133 ₄ 13-151 ₈ 121 ₈ -121 ₉	151 ₈ -145 ₄ 157 ₈ -135 ₈ 121 ₂ -121 ₄ 121 ₂ -121 ₄ 121 ₈ -121 ₄ 123 ₈ -12	145a 145a 145a 145a 1414 155a 1234	1412-1478 	14 14	13	14.14.0 1378-13: 15.4 1358 1248	141 ₂ 145 ₃ 141 ₈ 141 ₈

Local authority and manes houses seven days, notice, others seven days fixed. *Long-term lates nominally three years 12½-12½ par cent; four years 12½-12½ per cent; five years 12½-12½ per cent; table are buying rates for prime paper. Buying rate for four-manufac bank bills 12½ per cent;

a per cent.

Approximate, selling rate for one-month Tressury bills 135, 137, per cent two-months 137, 134 per cent three month. Tressury bills 135, 137, per cent two-month 137, 135, per cent two-month 137, 135, per cent two-month 137, 135, per cent two-month 137, per cent two-month 147, per cent and three-month 14 per cent two-month 137, per cent and three-month 14 per cent two-month 137, per cent and three-month 14 per cent two-month 137, per cent and three-month 14 per cent two-month 147, per cent and three-month 14 per cent two-month 147, per cent Finance House Base Rate (qubitshed by the Finance Houses Association) 13 per cent Bank Daposit Rates for analy sums at seven days' pouce 11-12 per cent. Clearing Bank Treasury Bulls: Average tender rates of discount 13,2433 per cent.

	MONEY RATES	3
	NEW YORK	
-	Prime Rate Fed. Funds Treesury Bills (13-week) Treesury Bills (25-week)	11.5-11.75 10.4376 9.21 9.04
	GERMANY Discount Rate Overnight Hate Dis month Three months Six months	6.125
	FRANCE Discount Rate	 9.5
5	Overnight Rato One month Three months	9,0625 9,5625
5 5	JAPAN	10,9925
1	Discount Rate	4.25 5.5625

For the convenience of readers the dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements, except where the forthcoming Board meetings (indicated thus*) have been officially published. It should be emphasised that the dividends to be declared will not necessarily be at the amounts or rates per cent shown in the column headed "Announcement last year."

· _	Announce"	Announcs:
Date	ment last	Date · · ment last
	Vept	· year
*AcrowAug, 7	Final 1.554	*Imperial GrpJuly 12 Int. 2.25
*Airlix Inds,July 12	Final 1.993	*InchcapeJuly 26 Final 9.0
- Alexanders	LIII'91 1'329	
Discount. July 16		Initial ServesJuly 21 Final 6.051
Allied	int. 4.5	LRC IntolJuly 19 Firel 1.53
		Lotraset
ColloidsJuly 12	Final 1.117	IntniAug. 9 Sec. int. 4.5
Ault and		"Lloyds BenkJuly 20 Int. 4.635
. Wiborg,Aug, 9	Int. 0.72	*Magnet and
Automotive	•	SouthernsJuly 17 Final 5.432
ProductsAug. 8	Int. 0.75	*Meyer
*Barclays 8kJuly 26	Int. 6.05	(Mont. L.)July 16 Finel 2,973
Bibby (J.)Aug. 9	Int. 3.0	*Midland BkJuly 27 Int. 8.5
*Birmid		*NatWest ,July 24 Int. 5 682
QualcastJuly 18	int, 1.5	*Rank OrgJuly 16 Int: 4.0
British	11-6	RaybeckJuly 12 Final 2.3512
DredgingJuly 10	Final nil	RentokifAug. 8 (nt. 0,72
Carrington	L11181 1141	*Rothmans
ViyellaAug. 9	Int. 0.67	
Commercial	IIIL. 0.03	โกปJuly 12 Final 1,327 Security
UnionAug. 7	Int. 2.863	
Davy CorpnJuly 25	Final 7.425	ServicesAug. 10 Int. 1.25
*DistillersJuly 19		Staffex IntlJuly 28 Final nil
Dixons	Final 4.5642	*Stenhouse Aug. 23 Int. 1.825
PhotogrphcAug. 2		Stock
	Final 1.51	ConversionJuly 26 Final 1.0217
*PowtyJuly 19 *Fitch LovellJuly 26	Final 2.255	Sunley (B.)Aug. 8 Final 2.7
	Final 2.812	Taylor
*FodensJuly 19	Fine! 3.35	WoodrowJuly 25 Int. 2.01
General		Thorn Elec July 13 Final 9.0
AccidentAug. 9	Int. 4.125	*Town and City
GestetnerJuly 14	Int. 2.125	PropsJuly 13 Final 0.01
GiynwadAug, 9	Int. 2.45	*UniqueJuly 18 Final 2.105
Great		*Union
Univ. StrsJuly 20	Fเถ⊉ไ 4.64	DiscountJuly 18 Int. 6,375
Hambro		VentoneAug. 3 Int. 1.9955
TrustAug. 7	Final 1.37	VosperJuly 26 Int. 2.5
Hastemere		Werd and
Ests July 20	Final 3,221	GoldstoneJuly 21, Final 3,672
Meron MotorJuly 17	Final 1.92	
Hogq		 Board meetings intimated. † Rights
Robinson July 18	Final 2.58	issue since made. ‡ Tax free. § Scrip
HooverAug. 3	Inc. 5.61	issue since made from reserves.
*Howden July 12	Final 3.1543	f Forecast.

BASE LENDING RATES

A.B.N. Bank	■ Hambros Bank 14 % ■ Hill Samuel
American Express Bk. 14 %	Julian S. Hodge 15 %
A P Bank Ltd 14 %	Hongkong & Shanghai 14 %
Henry Ansbacher 14 %	Industrial Bk. of Scot. 141%
Associates Cap. Corp 14 %	Keyser Ullmann 14 %
Banco de Bilbao 14 %	Knowsley & Co. Ltd 151%
Bank of Credit & Cmce. 14 %	Lloyds Bank 14 %
Bank of Cyprus 14 %	London Mercantile 14 %
Bank of N.S.W 14 %	Edward Manson & Co. 15 %
Banque Belge Ltd 14 %	Midland Bank 14 %
Banque du Rhone et de	■ Samuel Montagu 14 %
la Tamise S.A 141%	■ Morgan Grenfell 14 %
Barclays Bank 14 %	National Westminster 14 %
Bremar Holdings Ltd. 15 %	Norwich General Trust 14 %
Brit. Bank of Mid. East 14 %	P. S. Refson & Co 14 %
Brown Shipley 14 %	Rossminster 14 %
Canada Perm't Trust 14 %	Ryl. Bk. Canada (Ldn.) 14 %
Cayzer Lld 14 %	Schlesinger Limited 14 %
Cedar Holdings 14 %	E. S. Schwab 15 %
Charterhouse Japhet 14 %	Security Trust Co. Ltd. 15 %
Choulartons 14 %	Shepley Trust 16 %
C. E. Coates 14 %	Standard Chartered 14 %
Consolidated Credits 14 %	Trade Dev. Bank 14 %
Co-operative Bank*14 %	Trustee Savings Bank 14 %
Corinthian Secs 14 %	Twentieth Century Bk. 15 %
Credit Lyonnais 14 %	United Bank of Kuwait 14 %
The Cyprus Popular Bk. 14 %	Whiteaway Laidlaw 144%
Duncan Lawrie 14 %	Williams & Glyn's 14 %
Eagil Trust 14 %	Yorkshire Bank 14 %
English Transcont 14 %	Members of the Accepting Houses
First Nat. Fin. Corp 151%	Committee. 7-day deposits 11½%, 1-month
First Nat. Secs. Ltd 151%	deposits 112%.
Antony Gibbs 14 %	† 7-day deposits on sums of £10,000
Greybound Guaranty 14 %	and under 115%, up to £25,000
Grindlays Bank	12% and over £25,000 121,%.
Guinness Mahon 14 %	† Call deposits over £1,000 11½%. § Demand deposits 11½%.
U	a position achedina . (.5 %)

EQUITIES

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

issue	Am'unt Paigiup	Rent	inc.	19	79		Closing prices	+ 0:
Price p:	A P	Date		High Low		Stock	응 <u>두</u>]
36 65 52 ¹ 2 25 195 100 155 110 154 154 154 154 154 154 154 155 150 60 60 67 93 87	F.P. NII F.P.	5/7 22/6 13/7 22/6 15/6 15/6 15/6 15/6 15/7	6/7 3/8 10/8 24/8 27/9 27/7 3/8 20/7 27/7 13/7	84pm 6pm 38pm 148 49pm 114 182 25pm 121 60pm 431 ₂ 86 156 59pm 7pm 105% 154pm	2½pm 40 14pm 127pm 27,bpm 1151 1157 101½ 101½ 29 2142 29 30 140 29 30 30 30 30 30 30 30 30 30 30 30 30 30	Causton Sir (J.) Century Oila Combined English Stores Edwards (Louis C.) Edwards (Louis C.) Edwards (Louis C.) Geevor Tin Grand Metropolitan Hoft Lipyd Inti Inti. Timber MEPC McCorquodale P.M.A. Holdings Peterson Tennant Provincial Laundries Scotaros Simon Engineering Smurit Liefferson USM UDS W.G.I Weeks Associates	24pm 40 14pm 113 113 118 118 40pm 113 286 286 51pm 12pm 12pm	+1 +2 +1 +1 +1 -1 -2 +3 +1
R	BRUNCI	Blion d	iate u	gually	last de	v for dealing free of stamp duty	. 6 Fx	auces

Renunciation date usually last day for dealing free of stamp duty, 6 Figures based on prospectus estimate. 8 Assumed dividend and yield. 8 Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. 1 Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Pleating price to public. 14 Pence unless otherwise indicated. 1 Issued by tender. I Officered to holders of ordinary shares as a "rights." 1 Issued by tender. I Officered to holders of ordinary shares as a "rights." 1 Issued to connection with reorganisation, merger or takeover. III Introduction. I Issued to former preference holders. & Allotanat letters (or fully-paid). 9 Provisional or partly-paid allotment letters. * With warrants. 11 Unitsted security. 14 Issued as units comprising 2 Income shares and 10 Capital shares at 125p per unit.

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD. 45 Cornhill, London EC3V 3PB. Tel. 01-623 6314.

Index Guide as at July 5, 1979 Capital Fixed Interest Portfolio 115.75 Income Fixed Interest Portfolio 105.00

INSURANCE BASE RATES

† Vanbrugh Guaranteed 112% † Property Growth 111% † Address shown under Insurance and Property Bond Table

I.G. Index Limited 01-351 3466. Three month Silver 412.9-416.3

1. Tax-free trading on commodity futures. 2. The commodity futures market for the small investor.

CORAL INDEX: Close 468-473

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UDRUZENA BEOGRADSKA BANKA, BEOGRAD

PRIVREDNA BANKA ZAGREB, ZAGREB

VOJVODJANSKA BANKA--UDRUZENA BANKA, NOVI SAD

INVESTICIONA BANKA TITOGRAD— UDRUZENA BANKA, TITOGRAD

STOPANSKA BANKA-ZDRUZENA BANKA, SKOPJE

US \$305,000,000

MEDIUM TERM LOAN

Arranged by

BARCLAYS INTERNATIONAL GROUP

LLOYDS BANK INTERNATIONAL LIMITED SOCIETE GENERALE

THE SANWA BANK, LIMITED

(As Lead Managers)

HESSISCHE LANDESBANK-GIROZENTRALE-

MANUFACTURERS HANOVER LIMITED THE SUMITOMO BANK, LIMITED

(As Managers)

THE BANK OF NEW YORK (As Co-Manager)

Provided by

Barclays Bank International Limited

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The Bank of New York

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Hessische Landesbank-Girozentrale-

(EUROBANK) S.A. International Energy Bank Limited

Lloyds Bank International Limited

Anglo-Romanian Bank Limited

The Kyowa Bank, Ltd.

Provincial Bank of Canada

Australia and New Zealand Banking Group Limited

Bank of Scotland

The Fidelity Bank

Irving Trust Company

Moscow Narodny Bank Limited S.F.E. Banking Corporation Limited

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BARCLAYS BANK INTERNATIONAL LIMITED



JULY 1979

6.01

Why change is due | Parker Knoll in knock-for-knock

BY OUR INSURANCE CORRESPONDENT

A FORTNIGHT ago I mentioned the statutory alternative to standard knock-for-knock agree-purchase of compulsory motor ment, insurers hope through injury liability insurance making a deposit of £15,000 with the Accountant-General of the Supreme Court under s.144 (1) of the 1972 Road Traffic Act.

Having explained that this sum was fixed first in 1930, and pointed to the recent court awards for road injuries, I suggested that Parliamentary time should be found for a short Bill to increase the deposit to liability ": but he does not at least £250,000, both to protect complain that the operation of the general public, all of us being potential road accident victims, and to prevent the larger fleet operator having a cheap way of avoiding paying his requisite share of the cost of motor insurance.

operator in mind, but quite clearly my comments found someone, somewhere, with a grouch against the insurance market. Last week the deputy chairman of the Association of Insurance and Risk Managers in Industry and Commerce wrote a long letter to this newspaper, the conclusion of which was that fleet operators are "not seeking to avoid paying their requisite share, but seeking perfectly properly to minimise overheads when faced with what may well appear to be an unjustifiable and unreasonable new practice on the part of a majority of UK motor insurers."

Mr. Benson was of course referring to motor-insurers' decision to reallocate the cost of fleet claims from January 1 next year, a decision which I had explained fully on May 2.

Space does not permit recapitulation, but the bare bones of the situation is this. The near-universal application of inter-office knock-for-knock agreements, whereby insurers forbear to sue one another, has distorted allocation of claims costs between vehicles insured fully comprehensively and the increasing number of fleet substantial damage excesses or provide full liability insurance. for third-party cover.

Because claims costs have not been properly allocated, fleet

By altering the terms of the standard knock-for-knock agreereallocation of fleet claims costs, to achieve by the end of 1980, a premium structure more equitable between those who buy restricted cover and those

Mr. Benson complains that the change in the knock-for-knock agreement "will result in the giving away of policy-holders' premium regardless of the existing agreement, again regardless of liability, results in some policy-holders paying too little premium at the expense of the majority who have to make up the deficit.

who do not.

f motor insurance.

Commenting that the change
I had no particular fleet may in a full year involve an increase in premiums of 30-50 per cent for fleets buying restricted cover, Mr. Benson says: "We have not been told that there will be any reduction in insurance costs" for the rest of the motor-insuring public.

But in present inflationary times there can be no reduction in rates. There can only be increases which are less than they might otherwise have been, or increases deferred for a longer period.

Obviously the rest of the motoring community must benefit from this cost, and therefore premium reallocation, but unfortunately that benefit will not be readily discernible.

Mr. Benson's final point is that the motor market is generally unwilling to provide minimum Road Traffic Act injury liability cover, and that insurers insist on providing damage liability cover as well.

There are good practical and political reasons for this. Britain is the only EEC country not to have some degree of compulsory damage liability insurance Legislation, at the behest of Brussels, lurks round the corner, and is kept at bay only by the insistence of British vehicles insured only with insurers that in practice they

That legislation will come sooner or later. If association members continue to press for operators buying restricted injury liability cover, they will cover have their premiums inevitably hasten the day when subsidised by all who buy yet another compulsory insurance law is enacted.

131s 443e 303e 1114 307s 3454 506s 3654 28 607s 183e 521s 303e 512 3014 37 5012

senior post

Mr. L. E. D. Baskerville has been appointed managing director of PARKER KNOLL FURNITURE, the furniture manufacturer division of Parker Knoll from August 1. He succeeds Mr. M. H. T. Jourdan, who continues as chairman and chief turing division of Parker Knoll Group.

Mr. Alan J. Harrison has been appointed manager and Mr. Sacedollah Mohamadi has been appointed deputy manager of the London branch of BANK SANAYE IRAN.

Mr. W. G. Kneale has been made a non-executive director of THE ROYAL TRUST COMPANY OF CANADA. Mr. Kneale, an assistant chief general manager Midland Bank, retires from the Midland Bank at the end of July. The Royal Trust Company of Canada is the wholly-owned UK subsidiary of Royal Trustco.

The London and European representative office of GULF INTERNATIONAL BANK, BSC., has been up-graded to full branch status under the management of vice-president Dr. Walid Niazy. Mr. Tony Thornicroft has been appointed money market manager and Mr. Richard Liddall manager

appointed director of public rela-tions of THE BRITISH ALUMINIUM COMPANY. Mr. Burton E. Robbins, chairman and chief executive officer of National Screen Service, has been elected president of VARIETY CLUBS INTER-NATIONAL, the children's charity organisation.

* Assis 5/7 +

Mr. Maurice Holmes, head of Teve Reg. 591
BRITISH RAIL'S Liverpool Sereet division, has moved to southern region's Waterloo HQ

Tel. Aviv.

Assis 5/7 +

Elite 5/7
Flie 5/7 -

203s K. Mart. 264
171s Kaiser Alumini'm 185s
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2014 Kaiser Steel 335s
1214 Kaneb Services 183s
1214 Kaneb Services 183s
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4614 Kerr McGee 5914
Kidde Walter 23
435s Kimberley Clark 47
181s Koppers 231s
4714 Kraft 463s
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381s Levi Strauss 5014
241s Libby Ow. Ford, 277s

3412 |Libby Ow. Ford. | 2776

3812 |Liggett Growp. | 3414

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1514 |Lone Star Ind'sts 2476

1514 |Lone Star Ind'sts 2476

1514 |Locky Stores | 1612

3714 |Lucky Stores | 1578

1078 |MacMillann | 1614

36 |Macy R.H | 377

3114 |Mfrs. Hanover | 4512

2634 |Marshal Field | 8773

48 |Marshal Field | 1812

5934 |Marshal Field | 1812

1634 National Can ____ 2038

1834 Nat. Distillers ____ 2278

1414 Nat. Service Ind. 17

2818 National Steel ___ 3176

4039 National Steel ___ 3176

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5058 NGR. ___ 6792

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20 N. L. Industries ___ 2379

2178 Norfolk & West'n __ 2756

2359 Norfolk & West'n __ 2758

2514 Nthwist Airliner __ 281e

2514 Niw'st Bencorp ___ 36

1434 Norfol Simon ___ 1519

1534 Occident'l Petrol __ 241e

159 Oglivy Mather ___ 1578

1714 (Offin ____ 251e

207s (Overseas Ship ___ 3078

Mr. Lewis R. Goodman, a director of the Vantona Group and chairman of CIPRA, has joined the Board of RELDAN Cyril Kern remains chairman and chief executive and the Board has been re-structured as Soard has been restructured as follows: Mr. R. L. Marks deputy chairman and group financial director, Mr. J. Gold managing director (production), Mr. R. A. Kottler managing director (sales). Mr. S. Chertas merchandise director. Mrs. J. M. Kern design director. design director and Mr. D. W. Preston non-executive director.

TEL AVIV

Israel Land Devot: i Property and Building Public Utility Israel Electric Corp. Argaman Textile Br. ...
"Ata" Textile "B"

914 619 Scudder Duo Capi 878

3616 1534 Sea Containers 1919

3619 1058 Seagram 1378

2814 1679 Seagram 1378

2814 1873 Sears Roebuck 19

4814 2436 SEDCO 2954

4259 2814 Shell Oil 4068

3534 1873 Shell Transport 3112

2759 Signa 2513

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Public Works Loan Board rates

Effective from July 7

Years	by EIP† A		meturity§	by EIP†	A\$	maturity§					
Up to 5	12}	12	12}	131	·134	13					
Over 5, up to 10	121	121	121	13	13	131					
Over 10, up to 15	12 ţ	12	125	13}	134	13}					
Over 15, up to 25	12	12‡	12}	131	131	13;					
Over 25	12}	127	127	13;	131	131					
*Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.											

Indices

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		!		·				79:	SinceCi	
•	July	July	TRIA	July	29	28	High	Low	High	Low
	<u> </u>						· · · ·			
• Industr'is	846.16	855.75	82,58	854.04	841 98	845.04	878.72 (78/4)	367.50 (27/2)	1051.70 (11/1/73)	
H'me B'nds						85.25	73/70	82.52 (8/D)		
Transport.	•.			: .			. (8/2)	295.78	279,88 (7/2/68)	(8/142)
Ubilities	106.70	105,82	105,45	105.21	105.45	105.55	108.70	(15/5)	168.82 (28/4/69)	10,58
Trading vol	30 RSA	 30 646	ี สา.700	1 32,170	: 1. 24 840	: 38 540			.	

NEW YORK _BOW JOHES.

1												
	STANDARD AND POORS									- 4		
		· July	July	July	July	June	June	19'	<u> </u>	SinceC		
		6	5	3	2	29	28		<u> </u>	High	LOW	
	Indust's							Marth.	(27/2) 98,15	(11/1/13) (11/1/13) 125.85	30/6/A	

	l July 3	June 27	June 20	Year ago (approx			
ind. div. yleid %	5,28	5.27	5.30	5.18			
Ind. P/E Ratio	7.92	7.94	7.91 -	8.93			
Lon Gov. Bond Yield	8.74	8.75	8.87	8,62			

July 6. | Ruly 6 July 3 TORONTO Composite JOHANNESBURG

Tatice (11) 84.7 85.4 many (\$1) 757.6 : 756.5 Hong Kong 1553.19 1578.65 (46) (7/5) (7/5) (7/5) (7/5) (7/5) (7/6) (7/5) (7/6) FRIDAY'S ACTIVE STOCKS

Singapore (b) 572-65 575-81 (0.4) (10.4) (25.6) (23.2) ices and base dates (all base 100 except NYSE all Common—Standards and Poors—107 and to 300—1,000: the last named on 1975). † Excluding bonds: Industrials. § 400 Industrials. § 401 Industrials. § 402 Industrials. § 405 Industrials. § 406 Industrials. § 407 Industrials. § 408. § 407 Industrials. § 408.

15½ | 12% | Zentth Radio..... 12½ | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% |

CANADA

EURO	PE						
AMSTERDAM					BRUSSELS/LU	XEMBO	URG
July 6	Price Fis.	+ or	Div.	Alq.	July 6	Price Frs-	+ or
Ahold (Fl.20) Akzo (Fl.20)	27.6	+0.8 -0.4	· — i	i	Arbed	2,580	
Alg'm Bk (Fl 100) Amev (Fl, 10) Amrob'k (Fl, 20).	332 86.5xr		50	7.6 5.8 7.3	C.B.R. Cement Cockeril	1,060	+10
Bijenkorf	70.5 100.7	-0.2 +0.5	28 85	8.8	EBES	. 2,200 . 6,900	+15 +90
Buhrm' Tetter', Elsev'r-NDU(Fi29 Ennia N.V. S'rer		+0.3	hs40	2.9	Fabrique Nat G.B. Inno Bm Gevaert	2,605	10 30
EurComTat(FI10 Gist-Broc (FI0	71.5	+0.5	94.5	5.0	GSL (Brux L)	. 1,800 . 2,705	+15
Heineken (F125) Hoog'ns (F1.20)	30	—0.3 		_	Intercom, Kredietbank	.1.700 .7.200	. F5
HunterD.(Fi.100) K.L.M. (Fi.100) Int. Muller(Fi.20)		-2.2 +0.4	£3 :	3.1 10.0	La Royale Belge Pan Holdings Petrofins	101000	-40 } +30
Nat-Ned insF110 NedCr'dBkFi-20	106.8 57.2	+1.9 +0.1	55 22.5	5.2 8.0	Soc. Gen Sanque Soc. Gen. Beige	3,210 1,980	-5 -10
NedMidBk(F1.50)	207.5 155.6		38 i	4.9	Solvay Traction Elect	2,625	+110 -65 +60
Van Ommeren Pakhoed (Fl.20)	200	+0.1	<u> </u>	=	Un Min. (1, 10)	1,500 . 776	+20
Philips (FL 10) RinSchVer(Fl 100)	23.9 35.4 163.5	-0.3 -0.1	18	r: 1	Vielle M'ntagne		'30 <u> </u>
Robeco (Fl.50) Rolinco (Fl.50) Rorento (Fl.50)	135.0 110.7	-0.5	19.5	4.0	July 6	Price Kroner	+ or
RoyalDutchFl20 Slavanburg	150.5 256 131	-1 1	55.76, 21.5 80.88	9.1			├
Tokyo Pac Hids Unilever (Fl.20). Viking Res	129.6		44.8	6.9	Andelsbanken Danske Bank East Asiatic Co.	120	·

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ler-Benz 2	69.5 x + 2.5	28.12; 5.4	1 -

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ļ	l Io'hmu DM 100 I 350 '20 ∶ 25 ∶ 9.2 ∣	Pirelli(F100) 288 +1 15 48 Sandoz (F.250). 4,230 +5 26 1.6 Do. Part Certs: 533 -2 28 2.4
İ	Lufthansa 84 '10.94, 6.7	Sandoz (F.250), 4.230 +5 25 1.6
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į	Preuse aDM100 166 0 +2 5	Sw.Reins.(F250) 5,500 +60 40 1.8
ı	RheinWestElect 178.0 + 0.6 25 7.0	Union Bank 3,230 +10 20 3.2
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j	Siemens 253.4,+0.8 25 5.1	
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Rente 4	1,198	+37.5	412	
Afrique Occ'd't	285	5	24,75	8.
Air Liquide	410	-4	16,5	4.
Aquitaine		.+ 18	26,25	2.
BIC	555#		16.5	
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B.S.N. Gervals	649	.+4_	40.6	6.
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C.I.T. Alcatel	1,050	15	81	7.
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Cr'dit C'm.Fr'ce Creusot Loire		+0.3	12.76	8.
Dumez			₹5.7E	4.
Fr. Petroles		1200	15	77
Gen. Occid nt'le		2.0	10.6	4
	•			
Imetal		-0.3	5,7	8.
Jacques Borel Lafarge	232,1	U.3	20.10	8.
L'Oreal	636	9	22.5	3.
Legrand	1.415	-20	36.76	2
Mais'ns Phoenix		-17	39.5	7,
Michelin "B"	902	12	37.L	4
MoetHennessey	440	-7"	16.76	3.
Moulinex	85.2	-0.8	3	3.
Nord (Cle du)	27.6	-0.9	2,25	8.
Parlbas	209	-1	10.15	43
Pechiney	68.1z	ا_0.7 ا	7.5	8.
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	Mitsubishi Corp : 509 +1
Gal, Preciados 59 - 2	Milesi & Co 350 —3
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Sogefise 128	Sekieni Prefab. 713 1+6
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Telefonica 72	Sony1,990 -30
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1.1	Amalgamated Rubber.		11.20
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1.5	China Light & Power	.19.70	20.40
77	Cosmopolitan Prop	1.60	1.68
3	Cross Harbour Tunnel	, 9.20	8.80
.5	E, Asia Navigation	5.25	5.15
	Hang Seng Bank	75.60	75.50
.5	Hane Kong-Electric	4.35	i. 4,35
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Ľ5	Hong Kong Land	6.95	7.05
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.6	Hg.Kg. Telephone	23,40	23.30
l:8.	Hutchison Whampos	4.25	4.39
6	Jardine Matheson		11.00
4	Jardina Secs	7.30	7,30
8-	New World Development		1.95
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1.3	Sime Darby		7,70
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.7	Winsor Industries		2,65
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- 1	t Buyer. 1	Seller.	•
- 1	JOHANNESBURG		್ ನ್ ಕ್ರೌ
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Zurich Ins 13,150	+ 125	44 1.	Wheelock Maritims A., 3.90 2.85 Wheelock Maritims A., 3.90 2.85
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AUSTRALIA		ن حنب	MINES
July 6	Aust.	<u>,</u> + •	July 6 Rand Hor Anglo American Con. 7.92 1+0.0 Charter Consolidated 3.20
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ACMIL (25 cents)	10.6	7 ~8.8	1 Flahum 2.23 -0.0
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Cons. Goldfields Aust	15.4	5	Western Holdings 435.60 10.6 Western Deep 18.80 10.6
Container (81)	12.3	2 +O.E	Trestate Leave 11-12
Costain Australia	11.4) +u.,	INDUSTRIALS 40.0
Dunlop Rubber (50 cent)	10.8	B	Abercom 2.23 +80
Garrion United Brewery, CSR (S I)	+2.6	5 - 0.0	Western Deer 18.50 11.00
Endeavour Resources	10.2	10.0	Barlow Rand
Gen. Property Trust	15.2	3	Currie Finance
ESCOR. Elder-Smith. Elder-Smith. E.Z. Industries E.Z. Industries Gen. Property Trust. Hamersley. Noolear IGT Australia Inter Copper Jennings Industries Jimberiana Minerals Jona's (David). Lennard Oil.	12.5	ō ;	De See's Industrial (15.50
CF Ametralia	10.7		Edgara Consd. Inv. 370
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Lengard Offi- Metris Exploration Metris Reportion Metris Minerals MIM Holdings Myer Emporium	†8.1	7D.O	TTA 225 McCarthy Rodway 0.59 NedBank 3.55
MOMS CHIPOLIGIA PROPERTY.	11.5 12.8	5 -0.0 5	UK Bezahes 8.40
Nicholas International	10.9	-0.0	McCartry Rodway 0.58 NedBank 3.55 OK Bazaris 3.40 Pramer Milling 5.45 Pratoria Cement 4.45 Prota Holdings 1.65 Rand Mines Properties 2.92 -0.0 Rembrandt Group 3.75 -40.1 Reica 0.38 -0.0
Oskbridgss (ode).	TL6:	9 +0.00	Protes Holdings 1.65 +0.0
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Pave Oil	10.5	+9.0	Rembrandt Group 3.75+U.1
Ploneer Concrete	11.4	+0.0	Retco
Reskitt & Golman	12.50). +B.B	SAPPI 7.30 +0.10
Southland Mining	10.21	5 70.00	C. G. Smith Sugar 6.30
Spargos Exploration	10.3	+0.0	SA Braweries 1.58 - +0.0
Myer Emporium News News International N. Broken H'dings (50c). Oakhridge Oil Search Otter Exploration Peace Oil Pioneer Concrete Reakitt & Colman Sleigh (H.C.) Southland Missing Spargos Exploration Thomas Nat Trans. Tooths (5) Wastern Mining (50c). Western Mining (50c).	11.50	5 +0.8	Sage Holdings 1.05 - 0.6 SAPPI 1.30 + 0.8 C. G. Smith Siger 5.30 + 0.8 SA Braveries 1.58 + 0.0 Tiger Oats & Nat. Mig. 17.00 Unised 1.32 + 0.0
Waltons	10,6		Financial Rand U.S.\$89
Western Mining (50c) Woolworths	12.50 11.40	-0.02	(Discount of 241%)
	-''		Inscount of \$4176)

WALL STREET

Abbott Labs 5312 AM International 1434 Adobe Oil & Gas. 3158

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2514 Columbia Gas... 2912
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1352 Communition Inc... 3834
1353 Conn Life Inc... 3834
1353 Consol Foods.... 2414
2612 Consol Foods.... 2413
2613 Consol Nat. Gas... 4113
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18 is inti. Mit & Chem
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1212 Potomao Riec.
2334 Protor Gamble
201 Protor Gamble
202 Pub. Serv. Siec.
2934 Purex.
2216 Quaker Cats
1378 Rapid American.
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2012 Resorts Inti.

451₀, 131₂ 39 701₂ 30 305e 245e 157s 345e 395e 3634 281s 257e 223e

54 Union Carbide.... 3734 81s UnionCommerce 1 2814 Usion Oil Calif... 3612 5112 Union Pacific 701s | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201

165s | Tri-Continental | 173s |
412 | Triton Oil & Gas | 81s |
295s | TRW | 271s |
30 | 20th CenturyFox | 35s |
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23 | U.A.L | 244s |
17 | U.G. | 221s |
181s | Unic Resources | 511s |
57's | Unilever NV | 64

INTERNATIONAL BONDS

BY FRANCIS GHILÈS Tender feelings for the EIB

IN A major development in Banks can bid for a maximum cates would eventually emerge. the EIB does not come at a The soum issue for nome European Investment Bank last size of the issue will be decided blind man's buff was going on sector of the market has been yield 10.20 per cent instead of weak since the middle of last the indicated 99 but fell to Wednesday invited 50 inter by the EIB after receipt of all among major banks to find out was going on section of the indicated 991 but fell to mational banks to make competitive bids for a public Eurobond. After receiving all the bids, issue, the amount of which will the EIB will accept one purble \$100m or \$150m, with a control of the indicated 991 but fell to make the middle of last the indicated 991 but fell to month and investors remain on the side lines as they try to institutions are all set to move into the market and buy recent be \$100m or \$150m, with a chase price covering the entire coupon of 9.70 per cent and a issue and will select the most maturity of 10 years,

on this side of the Atlantic, which the amount required was Reaction among major inter just covered, national banks has been mixed. The initiative taken by the if not confused. Some of the FIB met with strong criticism, banks which have traditionally even from those U.S. banks led issues for the EIB appear even from those U.S. banks far from happy. Most of the major Swiss and German banks: Into the Eurobond market had not reached a final decision.

forming syndicates with the more freedom of manoeuvre.
view of bidding either for The harrower dates not ins blocks of \$25m worth of bonds that a coupon he set at the time or multiples of that figure.

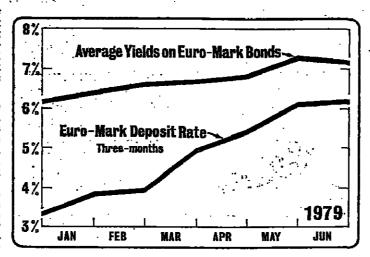
the EIB to submit a firm tender selling period.
for the purchase of all or part. The confusion of the issue on the basis of one the greater as there are not well price for one or more tranches, established syndicates of banks of \$25m. Banks will be able to in the Eurobond market, as is put in more than one tender the case in New York. Were for a given tranche or a number the tender system to spread in

A tender system has long with the highest bids; the borexisted in the US domestic bond rower will thus accept all market but has never developed tenders down to the price at our this side of the hadrance.

The initiative taken by the had not reached a final decision. These critics pointed out that they find they gave the impression they would refrain from making a bid. Into the Eurobond market. These critics pointed out that they would rather have seen the EIB stick more closely to the rules of the game as it is In London, reactions were mixed with many banks still U.S. domestic bond market for wondering exactly how to corporate and municipal bortespond. However, a number of rowers banks can only bid for leading houses were tentatively whole issues and are allowed forming syndicates with the

The borrower does not insist of the launching of the issue, Banks are being invited by but leaves it to the and of the

The confusion has been all of tranches, at different prices, the Eurobond market, syndi-



of a tender system were also wondering why the EIB had announced it wished to give publicity, through the publica-tion of tombstones, to the amounts allotted to the different banks. They said that such action would only attract pub-licity seekers and in no way contribute to the success or failure of the operation.

The attempt being made by over the past 18 months.

Those who welcome the idea make up their minds which way the U.S. currency is moving.

Three new dollar issues were difficult situation."

into the market and buy recent good quality issues which are trading at steep discounts. They argue that with the U.S. recession now clearly on the horizon, a rally in the bond market is bound to take place soon. Others are more pessimistic. In a typically forthright com-

ment in a note to institutional investors, Ross and Partners write that because the impact of this year's oil price rises on the U.S. will be greater than in 1974 and adaptation to them more difficult "the dollar will tumble and to stop its fall the U.S. authorities will have to start an 'interest rate war' with other countries in order to support their currency."

The outlook for bond prices will be depressing, it concludes, as the high negative carrying force some liquidations which will exacerbate an already

announced last week, including Further prices gains were a floating rate note for recorded in the Deutsche Mark Genossenschaftliche Bank and a and Swiss franc sectors of the straight issue for Kay Capital. bond market while sterling The \$50m offering for Argentina bonds enjoyed a very good week, is the first in the straight riding on the back of a rising dollar sector since 1970. This currency. By Friday, however, borrower has arranged a num-activity in all major sectors of ber of Deutsche-Mark issues the market quietened consider-

BY JOHN EVANS

Removing a psychological barrier

BRITAIN'S INSTITUTIONAL UK institutions show a wide "You've got to remember choice is a dominating investors should shortly be divergence of opinions over how that the major gains in over- our decision-making," given much more freedom to they will adjust their invest- seas investment in recent years Most institutions and adjust their invest- seas investment in recent years.

UK EXCHANGE CONTROLS

be clearly aiming to court the the Europood markets should than income or choice of the influential fund managers in not count on being the major right individual security," it the City and Edinburgh if the beneficiaries of such liberalisacurrent stock market speculation.

This fund views "hard curtion proves correct. It sug. Nevertheless, some of the big gests that Britain, as sterling UK pension funds seem ready strengthens, will lift most out to take on a fairly aggressive most attractive bet.

Another oil commany fund

ward exchange controls. Such controls have existed One major multinational for 40 years, with the most energy group, with a £850m important portfolio barrier domestic pension fund indicates represented by the investment that it would be prepared to

stands at around 5 per cent, most controls were lifted, after being as high as nearly. The fund reckons that sterl-50 per cent this year. It does ing is looking overvalued at not represent much of a major current levels. Its shift of obstacle to overseas investment funds, while fairly small in at the moment but rather, in relation to total resources, gies. But one explains, "In the Europe and the Far East, the London view, is largely a would represent prudential cur"psychological" barrier, fency diversification, as the right currency control will obviously

attitude.

currency premium system. shift up to £10m into overseas. The premium currently securities fairly speedily if

deploy their funds everseas. ment activities to a free environ- have come from favourable. The Eurobond markets will ment in the majority of cases, currency movements, rather

Another oil company fund, which stands at about £600m. is treading much more warily. Ten per cent of its funds are aiready abroad, and it indicates that matching problems could arise if this ratio was raised since all

that the matching of assets and says it has a fair geographical liabilities in sterling would also diversification of investments, inhibit their investment strate- in the U.S., the Componwealth, short-term we do not try to Liberalisation of exchange to 75 per cent lodged in match, as the right currency control will obviously help interest Eurodollar bonds.

up to 13 per cent are now stocks, so investments fre-available, will tend to hold insti-tutional money within London. the U.S., Australia. Germany

According to one manager. switch worthwhile.

major insurance group, its liabilities are in sterling. A major insurance group, Other pension funds admit with a £800m-£900m life fund,

You've got to remember choice is a dominating factor in extend this trend, it says. The our decision-making."

UK stock market presently is

Most institutions also believe not able to provide a sufficient that attractions of British gilt- diversification in terms of say. edged stocks, where yields of mining or relted industrial and Japan, the fund adds.

> "We have looked at Deutsche The same insurance group has Mark Eurobonds returning up a general international fund to 8 per cent. But this means, worth the equivalent of £100m. with the yield gap compared Like most insurance companies, with Gilts, the prospective curit is free to cover 100 per cent rency appreciation of the of its account liabilities in Deutsche Mark has to be up to foreign currencies, where these 5 per cent annually to make the liabilities come from foreign

> > This type of fund has represented the main source for UK investment in the Eurobond market in recent years. These funds are predominantly dollarto 75 per cent lodged in fixed-

CURRENT INTERNATIONAL BOND ISSUES

, Borrowers	m.		Av. life	Coupon		Lead manager	yield
	Amount	Maturity	years	- %	Price		%
U.S. DOLLARS						Sell Book III lot	7 100
‡†Panama	50	1991	8,45	79	700	Dillon Read, IBJ Int.	7.12
‡Dome Petroleum	50	1994	11.97	10	98∮	Morgan Stanley	10.20
††§Canon inc.	80	1994	_	•	•	Goldman Sachs	
iAustralian Res, Dev.	36	1984	5.	9₹	99 (Swiss Bk. Corp. (Luxem	j 9.76
†City Investment Fin.	50	1986	6.1	8][100	Paribas	_
†Genossenschaftliche i	šk 40 .	1989	10	5 1 4	100	Crédit Suisse First Bosto	n 5.58°
††ECSC	125	1999	15	. •	*	Lehman Bros., Kuhn Lo	eb *
Argentina	50	1984	. 5	97	99	Crédit Suisse First Bosto	n 10.14
†Nacional Financiera	100	1986	· 7	6.0	100	Soc. Générale, Salomon	6.359
†Kay Capital	20	1985		810	100	Kidder Peabody	8,684
D-MARKS							
f**inter-Amer. Dev. Bk.	. 50	1989	10	8	700	DG Bank	8,0
1World Bank	400	1991	12	73	1004	Deutsche Bank	7.68
Brazil	150	1987	8	8	100	Deutsche Bank	8.0
**Parker-Hannifin	30	1 9 87	7.	- 7}	99	Deutsche Bank	7.67
SWISS FRANCS		•					
‡Argentina	80	1989	n.a.	5 1 5	99	Swiss Bank Corp.	5.63
iNordic Bank Ltd.	45	198 9	n.a.	5	100}	Nordfinanz-Bank	4.94
City of Bergen	· 40	1991	n.a.	4}	100	Crédit Suisse	4.75
‡**Dieselkiki (g'teed Ind	<u>L</u>						
Bank of Japan)	20	1984	n.a.	4 1	100	Crédit Suisse	4.625
Manufrance (g'teed		•				Banque Gutzwiller	
St. Etienne)	16	1991	n.a.	5}	100	Kurz, Bungener	5.5
<pre>t**EDF (g'teed. France)</pre>	100	1986	n.a.	4 <u>1</u>	100	UBS	4.375
‡**Ind. Dev. Corp. of S.							
Africa (g'teed S.A.	.) 30	1984	n.a,	5}	100	UBS	5,75
‡**§Gunci Chem. Ind.	. 20	1984		4	700	Swiss Bank Corp.	4.68
‡**§Odzkyu Railway	25	1 984	_	42	160	Swiss Bank Corp.	4.81
BNDE	75	1989	n.a.	5	99	Crédit Suisse	5.13
KUWAITI DINARS	_						
‡Indonesia	7	19 86/91		87	99}	KIIC	8.78
Mitsubishi Hvy. Ind.		-004					_
(g'teed Mitsubishi i		1984	3 }	7}		KIC	
* Not yet priced. †† Registered with U.S	. Securitie	ms, •• Plac s and Exchi lote: Yields	ange Com	mission.	1 Purchas	Minimum. § Convertible. If the first index is supplied.	rate.

U.S. BONDS

BY JOHN WYLES

Waiting on the Fed

ticipants, it is stretching the energy. truth somewhat to imply that there was a New York bond market last week. An extremely on the day at around 1034 bid, thin new issue calendar gave on, while an extended break from July 4 left many Wall Street trading departments operating on skeleton staffs.

allowing ample time for specu- ing fund issue due in 2009 lation on likely developments during the coming week. On Wednesday, the Federal Reserve Board's Open Market Committee will decide its interest rate strategy for the month ahead and on Friday. the administration will be giving the Senate Budget Committee the fruits of its mid-year review of the economy.

news of a fall in unemployment responsibility for tipping the during June and prices were economy into a recession. marked down somewhat. But

The 91 per cent Treasury bond of 2009 finished unchanged little scope for relaxing credit,

gained about }.

little to fear from the Fed this week, since the balance of argument points to maintaining the funds rate at its current 101 per cent. Broadly, it is said that the weakness in the economy evident from recent retail sales figures and falling auto sales Of course, the economy militates against a move to raise remains as difficult to read as the funds rate target, since the ever. On Friday, the market Fed has lost none of its did not welcome the unexpected reluctance to be saddled with

At the same time, they recovered after President obviously high inflation rate, the

ACCORDING TO some par- and comprehensive initiative on the last 13 weeks-and renewed pressure on the dollar on the foreign exchanges offer very

In its latest survey of the thin new issue calendar gave a rise of about 12 on the week. credit markets, Morgan investors very little new to bite Generally, corporates made Guaranty has pointed out that on, while an extended break some gains over the four the rally in the hond markets trading days: Ford Motor since early May has coincided Credit's 0.45 ten-year notes, with a softening in overall perating on skeleton staffs. rated triple A, rose by to credit demand, although the As a result, trading on all reduce their yield to 9.31, while picture varies somewhat from four days was extremely thin, Borden Inc's double A 91 sink- sector to sector. Corporations, says the New York bank, have been borrowing at a record rate Majority opinion on Wall because of their inability to Street has it that the market has finance internally capital expenbecause of their inability to ditures and inventory additions

> It estimates that bond financing in the first half of the year was at \$16bn, second only to the record set in 1975. Meanwhile the Treasury's borrowing total of \$5.5bn was the lowest since the first half of 1974 thanks to a federal government budget surplus.

At \$65bn, mortgage market financing was only some \$4.3bn below last year's record first six months, while the \$21bn consumer credit total was only Carter began emitting purpose-burgeoning money supply slightly below last year's pace, ful signals out of Camp David statistics—11 per cent annual indicating that the rate of which it is hoped point to a new growth rates of M1 and M2 over expansion is clearly slowing.

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Rayer Int E XW 71 89 200	841 841 -04 0 9.81
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Canada 94 98 356	1595 391 · 0 +01 9 52
Canadian Pacific 93, 89, 50	983 983 - 01 - 02 9.97
Compiled Inv. E. 102, 91 .40	990 990 0 0 10.32
Dominion Bridge 102: 88 - 30	991 992 - OL 0 10 34
Dow Chem O/S 95 94 200	287 981 OL OL 9.81
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FIR 95 88 150	999, 1009, AOL 9.85
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FIR 97- 87	1007 1014 1 CL 0 9 90
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Australia 6 88	95° 96° 0 +0° 6.59 88° 89° 0 -0° 7.13 95° 96° 0 -0° 8.06
Australia 6 88	951 961 0 +02 6.59 887 884 0 -07 7.18 951 962 0 -04 8.06 971 977 +03 -03 7.11
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Australia 6 88	951, 961, 0 +02, 6.59 881, 831, 0 -01, 7.13 951, 971, 0 -01, 8.06 971, 971, +01, -01, 7.11 861, 961, -01, -01, 8.18 961, 967, -01, -02, 7.37 901, 911, +04, 0 7.40
Australia 6 88	95°, 95°, 0 +0°, 6.59 88°, 88°, 0 -0°, 7.18 95°, 95°, 0 -0°, 8.06 57°, 97°, +0°, -0°, 7.11 95°, 95°, -0°, -0°, 8.18 96°, 96°, -0°, -0°, 7.87 90°, 91°, +0°, 0 -7.40 97°, 58°, 0 -0°, 7.29
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Denmark 54 85	951, 951, 0 +0, 6.59 881, 881, 0 -01, 7.18 951, 971, +01, -01, 7.11 851, 971, +01, -01, 7.11 851, 971, +01, -01, 7.11 851, 971, +01, -01, 7.11 951, 971, +01, 0 7.40 971, 581, 0 -01, 7.43 881, 881, +01, +01, 7.43 881, 881, +01, +01, 7.43 881, 981, 0 -01, 7.45 881, 981, -0, -01, 7.45 881, 981, -0, -01, 7.45
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Council of Eur. 74, 89. 100 Dermark 54, 85	953, 954, 0 +0, 6.59 881, 881, 0 -01, 7.18 951, 971, +01, -01, 7.11 851, 971, +01, -01, 7.11 851, 971, +01, -01, 7.11 851, 971, +01, -01, 7.11 851, 971, +01, -01, 7.11 951, 971, +01, 0 7.40 971, 981, 0 -01, 7.43 881, 881, +01, +01, 7.43 881, 881, +01, +01, 7.43 881, 881, +01, +01, 7.43 881, 981, -01, -01, 7.43 881, 981, +01, -01, 7.43 881, 981, +01, -01, 7.33 11011, 1011, +01, -0, 7.31 951, 987, +01, +01, 6.66
Council of Eur. 74, 89. 100 Dermark 54, 85	95°, 96°, 0 +0°, 6.59 88°, 89°, 0 -0°, 7,18 95°, 95°, 0 -0°, 8.06 97°, 97°, +0°, -0°, 7.11 95°, 95°, -0°, -0°, 8.18 95°, 95°, -0°, -0°, 7.40 97°, 98°, 0 -0°, 7.49 88°, 83°, +0°, +0°, 7.43 98°, 98°, -0°, -0°, 7.33 98°, 98°, -0°, -0°, 7.45 98°, 98°, -0°, -0°, 7.45 98°, 98°, -0°, -0°, 7.31 98°, 90°, +0°, -0°, 7.31 95°, 98°, -0°, +1°, 7.33 10°°, 10°°, +0°, 0 -0°, 7.31 95°, 98°, -0°, +1°, 6.66 98°, 98°, +0°, +0°, 6.66
Council of Eur. 74, 89. 100 Dermark 54, 85	951, 951, 0 +0, 6.59 881, 281, 0 -01, 7.18 951, 971, +01, -01, 7.11 951, 951, -01, -01, 7.11 951, 951, -01, -01, 7.11 951, 951, -01, -02, 7.87 901, +01, -01, 7.29 881, 881, +01, +01, 7.23 881, 881, +01, +01, 7.23 881, 881, +01, +01, 7.23 881, 881, +01, +01, 7.23 881, 981, +01, -01, 7.23 881, 981, +01, -01, 7.23 881, 981, +01, -01, 7.23 881, 981, +01, -01, 7.31 1011, 1011, +01, -0, -0, 7.31 1011, 1011, +01, -0, -0, 7.31 981, 981, +01, +01, 6.22 981, 981, -02, -01, 7.85
Council of Eur. 74, 89. 100 Denmark 54, 85 100 Denmark 67, 89 100 E18 6 90 300 E18 74, 89 200 E18 74, 89 200 Eletrobras-Brazil 7 87. 100 Eurofina 67, 89 100 Finland 6,83 150 Indonesia 7 84 160 Megal Fin: 7,89 150	\$35, \$36, \$0, \$03, \$7.65 \$35, \$45, \$75, \$05, \$7.62 \$32, \$4, \$05, \$02, \$7.43 \$35, \$35, \$03, \$45, \$7.33 \$1075, \$015, \$40, \$0, \$7.31 \$55, \$35, \$05, \$15, \$15, \$7.73 \$17, \$175, \$175, \$17, \$17, \$17, \$17, \$17, \$17, \$17, \$17
Council of Eur. 74, 89. 100 Denmark 54, 85 100 Denmark 67, 89 100 E18 6 90 300 E18 74, 89 200 E18 74, 89 200 Eletrobras-Brazil 7 87. 100 Eurofina 67, 89 100 Finland 6,83 150 Indonesia 7 84 160 Megal Fin: 7,89 150	\$35, \$36, \$0, \$03, \$7.65 \$35, \$45, \$75, \$05, \$7.62 \$32, \$4, \$05, \$02, \$7.43 \$35, \$35, \$03, \$45, \$7.33 \$1075, \$015, \$40, \$0, \$7.31 \$55, \$35, \$05, \$15, \$15, \$7.73 \$17, \$175, \$175, \$17, \$17, \$17, \$17, \$17, \$17, \$17, \$17
Council of Eur. 74, 89. 100 Denmark 54, 85 100 Denmark 67, 89 100 E18 6 90 300 E18 74, 89 200 E18 74, 89 200 Eletrobras-Brazil 7 87. 100 Eurofina 67, 89 100 Finland 6,83 150 Indonesia 7 84 160 Megal Fin: 7,89 150	\$35, \$36, \$0, \$03, \$7.65 \$35, \$45, \$75, \$05, \$7.62 \$32, \$4, \$05, \$02, \$7.43 \$35, \$35, \$03, \$45, \$7.33 \$1075, \$015, \$40, \$0, \$7.33 \$41, \$25, \$25, \$0, \$11, \$7.73 \$41, \$25, \$0, \$11, \$7.73 \$41, \$25, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0
Council of Eur. 74, 89. 100 Denmark 54, 85 100 Denmark 67, 89 100 E18 6 90 300 E18 74, 89 200 E18 74, 89 200 Eletrobras-Brazil 7 87. 100 Eurofina 67, 89 100 Finland 6,83 150 Indonesia 7 84 160 Megal Fin: 7,89 150	\$35, \$36, \$0, \$03, \$7.65 \$35, \$45, \$75, \$05, \$7.62 \$32, \$4, \$05, \$02, \$7.43 \$35, \$35, \$03, \$45, \$7.33 \$1075, \$015, \$40, \$0, \$7.33 \$41, \$25, \$25, \$0, \$11, \$7.73 \$41, \$25, \$0, \$11, \$7.73 \$41, \$25, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0
Council of Eur. 74, 89. 100 Denmark 54, 85 100 Denmark 67, 89 100 E18 6 90 300 E18 74, 89 200 E18 74, 89 200 Eletrobras-Brazil 7 87. 100 Eurofina 67, 89 100 Finland 6,83 150 Indonesia 7 84 160 Megal Fin: 7,89 150	\$35, \$36, \$0, \$03, \$7.65 \$35, \$45, \$75, \$05, \$7.62 \$32, \$4, \$05, \$02, \$7.43 \$35, \$35, \$03, \$45, \$7.33 \$1075, \$015, \$40, \$0, \$7.33 \$41, \$25, \$25, \$0, \$11, \$7.73 \$41, \$25, \$0, \$11, \$7.73 \$41, \$25, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0
Council of Eur. 74, 89. 100 Denmark 54, 85 100 Denmark 67, 89 100 E18 6 90 300 E18 74, 89 200 E18 74, 89 200 Eletrobras-Brazil 7 87. 100 Eurofina 67, 89 100 Finland 6,83 150 Indonesia 7 84 160 Megal Fin: 7,89 150	\$35, \$36, \$0, \$03, \$7.65 \$35, \$45, \$75, \$05, \$7.62 \$32, \$4, \$05, \$02, \$7.43 \$35, \$35, \$03, \$45, \$7.33 \$1075, \$015, \$40, \$0, \$7.33 \$41, \$25, \$25, \$0, \$11, \$7.73 \$41, \$25, \$0, \$11, \$7.73 \$41, \$25, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0
Council of Eur. 74, 89. 100 Denmark 54, 85 100 Denmark 67, 89 100 E18 6 90 300 E18 74, 89 200 E18 74, 89 200 Eletrobras-Brazil 7 87. 100 Eurofina 67, 89 100 Finland 6,83 150 Indonesia 7 84 160 Megal Fin: 7,89 150	\$35, \$36, \$0, \$03, \$7.65 \$35, \$45, \$75, \$05, \$7.62 \$32, \$4, \$05, \$02, \$7.43 \$35, \$35, \$03, \$45, \$7.33 \$1075, \$015, \$40, \$0, \$7.33 \$41, \$25, \$25, \$0, \$11, \$7.73 \$41, \$25, \$0, \$11, \$7.73 \$41, \$25, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0
Council of Eur. 74, 89. 100 Denmark 54, 85 100 Denmark 67, 89 100 E18 6 90 300 E18 74, 89 200 E18 74, 89 200 Eletrobras-Brazil 7 87. 100 Eurofina 67, 89 100 Finland 6,83 150 Indonesia 7 84 160 Megal Fin: 7,89 150	\$35, \$36, \$0, \$03, \$7.65 \$35, \$45, \$75, \$05, \$7.62 \$32, \$4, \$05, \$02, \$7.43 \$35, \$35, \$03, \$45, \$7.33 \$1075, \$015, \$40, \$0, \$7.33 \$41, \$25, \$25, \$0, \$11, \$7.73 \$41, \$25, \$0, \$11, \$7.73 \$41, \$25, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0
Council of Eur. 74, 89. 100 Denmark 54, 85 100 Denmark 67, 89 100 E18 6 90 300 E18 74, 89 200 E18 74, 89 200 Eletrobras-Brazil 7 87. 100 Eurofina 67, 89 100 Finland 6,83 150 Indonesia 7 84 160 Megal Fin: 7,89 150	\$35, \$36, \$0, \$03, \$7.65 \$35, \$45, \$75, \$05, \$7.62 \$32, \$4, \$05, \$02, \$7.43 \$35, \$35, \$03, \$45, \$7.33 \$1075, \$015, \$40, \$0, \$7.33 \$41, \$25, \$25, \$0, \$11, \$7.73 \$41, \$25, \$0, \$11, \$7.73 \$41, \$25, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0
Council of Eur. 74, 89. 100 Denmark 54, 85 100 Denmark 67, 89 100 E18 6 90 300 E18 74, 89 200 E18 74, 89 200 Eletrobras-Brazil 7 87. 100 Eurofina 67, 89 100 Finland 6,83 150 Indonesia 7 84 160 Megal Fin: 7,89 150	\$35, \$36, \$0, \$03, \$7.65 \$35, \$45, \$75, \$05, \$7.62 \$32, \$4, \$05, \$02, \$7.43 \$35, \$35, \$03, \$45, \$7.33 \$1075, \$015, \$40, \$0, \$7.33 \$41, \$25, \$25, \$0, \$11, \$7.73 \$41, \$25, \$0, \$11, \$7.73 \$41, \$25, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0
Council of Eur. 74, 89. 100 Denmark 54, 85 100 Denmark 67, 89 100 E18 6 90 300 E18 74, 89 200 E18 74, 89 200 Eletrobras-Brazil 7 87. 100 Eurofina 67, 89 100 Finland 6,83 150 Indonesia 7 84 160 Megal Fin: 7,89 150	\$35, \$36, \$0, \$03, \$7.65 \$35, \$45, \$75, \$05, \$7.62 \$32, \$4, \$05, \$02, \$7.43 \$35, \$35, \$03, \$45, \$7.33 \$1075, \$015, \$40, \$0, \$7.33 \$41, \$25, \$25, \$0, \$11, \$7.73 \$41, \$25, \$0, \$11, \$7.73 \$41, \$25, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0
Council of Eur. 74, 89. 100 Denmark 54, 85 100 Denmark 67, 89 100 E18 6 90 300 E18 74, 89 200 E18 74, 89 200 Eletrobras-Brazil 7 87. 100 Eurofina 67, 89 100 Finland 6,83 150 Indonesia 7 84 160 Megal Fin: 7,89 150	\$35, \$36, \$0, \$03, \$7.65 \$35, \$45, \$75, \$05, \$7.62 \$32, \$4, \$05, \$02, \$7.43 \$35, \$35, \$03, \$45, \$7.33 \$1075, \$015, \$40, \$0, \$7.33 \$41, \$25, \$25, \$0, \$11, \$7.73 \$41, \$25, \$0, \$11, \$7.73 \$41, \$25, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0
Council of Eur. 74, 89. 100 Denmark 54, 85 100 Denmark 67, 89 100 E18 6 90 300 E18 74, 89 200 E18 74, 89 200 Eletrobras-Brazil 7 87. 100 Eurofina 67, 89 100 Finland 6,83 150 Indonesia 7 84 160 Megal Fin: 7,89 150	\$35, \$36, \$0, \$03, \$7.65 \$35, \$45, \$75, \$05, \$7.62 \$32, \$4, \$05, \$02, \$7.43 \$35, \$35, \$03, \$45, \$7.33 \$1075, \$015, \$40, \$0, \$7.33 \$41, \$25, \$25, \$0, \$11, \$7.73 \$41, \$25, \$0, \$11, \$7.73 \$41, \$25, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0
Council of Eur. 74, 89. 100 Denmark 54, 85 100 Denmark 67, 89 100 E18 6 90 300 E18 74, 89 200 E18 74, 89 200 Eletrobras-Brazil 7 87. 100 Eurofina 67, 89 100 Finland 6,83 150 Indonesia 7 84 160 Megal Fin: 7,89 150	\$35, \$36, \$0, \$03, \$7.65 \$35, \$45, \$75, \$05, \$7.62 \$32, \$4, \$05, \$02, \$7.43 \$35, \$35, \$03, \$45, \$7.33 \$1075, \$015, \$40, \$0, \$7.33 \$41, \$25, \$25, \$0, \$11, \$7.73 \$41, \$25, \$0, \$11, \$7.73 \$41, \$25, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0
Council of Eur. 74, 89. 100 Denmark 54, 85 100 Denmark 67, 89 100 E18 6 90 300 E18 74, 89 200 E18 74, 89 200 Eletrobras-Brazil 7 87. 100 Eurofina 67, 89 100 Finland 6,83 150 Indonesia 7 84 160 Megal Fin: 7,89 150	\$35, \$36, \$0, \$03, \$7.65 \$35, \$45, \$75, \$05, \$7.62 \$32, \$4, \$05, \$02, \$7.43 \$35, \$35, \$03, \$45, \$7.33 \$1075, \$015, \$40, \$0, \$7.33 \$41, \$25, \$25, \$0, \$11, \$7.73 \$41, \$25, \$0, \$11, \$7.73 \$41, \$25, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0
Council of Eur. 74, 89. 100 Denmark 54, 85 100 Denmark 67, 89 100 E18 6 90 300 E18 74, 89 200 E18 74, 89 200 Eletrobras-Brazil 7 87. 100 Eurofina 67, 89 100 Finland 6,83 150 Indonesia 7 84 160 Megal Fin: 7,89 150	\$35, \$36, \$0, \$03, \$7.65 \$35, \$45, \$75, \$05, \$7.62 \$32, \$4, \$05, \$02, \$7.43 \$35, \$35, \$03, \$45, \$7.33 \$1075, \$015, \$40, \$0, \$7.33 \$41, \$25, \$25, \$0, \$11, \$7.73 \$41, \$25, \$0, \$11, \$7.73 \$41, \$25, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0
Council of Eur. 74, 89, 100 Demmark 54, 85 100 Demmark 67, 89 100 ElB 6 90 300 ElB 52, 91 200 ElB 77, 89 200 Eletrobras-Brazil 7, 87, 100 Eurofima 67, 89 100 Finland 6,83 150 Indonesia 7, 84 160 Mirsublahi Chem. 67, 84 70 New Zealand 67, 87 200 Nippon Kokan 67, 84 100 Nippon Tel. & T. 57, 87 100 Nordic Inv. 8k: 67, 86 00 Norway 67, 84 200 OKB 67, 88 100 OKB 57, 88 100 OKB 57, 88 150 Chatoli 67, 89 150 Tokyo Elec. Pwr. 67, 25 Vanezuela 87, 30 150 World Bank 67, 88 400	\$37, 947, +03, -04, 7.43 \$31, 947, +03, -04, 7.43 \$31, 947, +04, -07, 7.33 \$31, 937, +04, +07, 7.33 \$101, 1014, +02, 0 7.31 \$51, 951, -07, +11, 7.73 \$41, 951, -07, -01, 6.22 \$42, 962, +04, +07, 6.56 \$42, 962, -07, -01, 7.29 \$101, 1007, +07, -02, 6.76 \$43, 972, +03, +07, 6.76 \$43, 972, +03, +07, 6.76 \$43, 972, +03, +07, 6.76 \$43, 972, +07, +07, 6.76 \$43, 972, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 407, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, 407 \$4
Council of Eur. 74, 89, 100 Demmark 54, 85 100 Demmark 67, 89 100 ElB 6 90 300 ElB 52, 91 200 ElB 77, 89 200 Eletrobras-Brazil 7, 87, 100 Eurofima 67, 89 100 Finland 6,83 150 Indonesia 7, 84 160 Mirsublahi Chem. 67, 84 70 New Zealand 67, 87 200 Nippon Kokan 67, 84 100 Nippon Tel. & T. 57, 87 100 Nordic Inv. 8k: 67, 86 00 Norway 67, 84 200 OKB 67, 88 100 OKB 57, 88 100 OKB 57, 88 150 Chatoli 67, 89 150 Tokyo Elec. Pwr. 67, 25 Vanezuela 87, 30 150 World Bank 67, 88 400	\$37, 947, +03, -04, 7.45 \$32, 94, +03, -04, 7.45 \$34, 937, +03, -04, 7.33 \$37, 937, +03, +07, 7.33 \$101, 101, +03, 0 7.31 \$51, 957, 951, -07, +11, 7.73 \$41, 951, -03, -11, 7.73 \$41, 951, -03, -11, 7.23 \$101, 1007, +03, -03, -03, -7.38 \$73, 951, -03, -13, 7.23 \$101, 1007, +03, -03, -03, -5.56 \$393, \$57, +03, +03, -03, -7.33 \$101, 1007, +03, -03, -03, -03, -03, -03, -03, -03, -
Council of Eur. 74, 89, 100 Demmark 54, 85 100 Demmark 67, 89 100 ElB 6 90 300 ElB 52, 91 200 ElB 77, 89 200 Eletrobras-Brazil 7, 87, 100 Eurofima 67, 89 100 Finland 6,83 150 Indonesia 7, 84 160 Mirsublahi Chem. 67, 84 70 New Zealand 67, 87 200 Nippon Kokan 67, 84 100 Nippon Tel. & T. 57, 87 100 Nordic Inv. 8k: 67, 86 00 Norway 67, 84 200 OKB 67, 88 100 OKB 57, 88 100 OKB 57, 88 150 Chatoli 67, 89 150 Tokyo Elec. Pwr. 67, 25 Vanezuela 87, 30 150 World Bank 67, 88 400	\$37, 947, +03, -04, 7.45 \$32, 94, +03, -04, 7.45 \$34, 937, +03, -04, 7.33 \$37, 937, +03, +07, 7.33 \$101, 101, +03, 0 7.31 \$51, 957, 951, -07, +11, 7.73 \$41, 951, -03, -11, 7.73 \$41, 951, -03, -11, 7.23 \$101, 1007, +03, -03, -03, -7.38 \$73, 951, -03, -13, 7.23 \$101, 1007, +03, -03, -03, -5.56 \$393, \$57, +03, +03, -03, -7.33 \$101, 1007, +03, -03, -03, -03, -03, -03, -03, -03, -
Council of Eur. 74, 89, 100 Demmark 54, 85 100 Demmark 67, 89 100 ElB 6 90 300 ElB 52, 91 200 ElB 77, 89 200 Eletrobras-Brazil 7, 87, 100 Eurofima 67, 89 100 Finland 6,83 150 Indonesia 7, 84 160 Mirsublahi Chem. 67, 84 70 New Zealand 67, 87 200 Nippon Kokan 67, 84 100 Nippon Tel. & T. 57, 87 100 Nordic Inv. 8k: 67, 86 00 Norway 67, 84 200 OKB 67, 88 100 OKB 57, 88 100 OKB 57, 88 150 Chatoli 67, 89 150 Tokyo Elec. Pwr. 67, 25 Vanezuela 87, 30 150 World Bank 67, 88 400	\$37, 947, +03, -04, 7.43 \$31, 947, +03, -04, 7.43 \$31, 947, +04, -07, 7.33 \$31, 937, +04, +07, 7.33 \$101, 1014, +02, 0 7.31 \$51, 951, -07, +11, 7.73 \$41, 951, -07, -01, 6.22 \$42, 962, +04, +07, 6.56 \$42, 962, -07, -01, 7.29 \$101, 1007, +07, -02, 6.76 \$43, 972, +03, +07, 6.76 \$43, 972, +03, +07, 6.76 \$43, 972, +03, +07, 6.76 \$43, 972, +07, +07, 6.76 \$43, 972, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 407, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, 407 \$4
Council of Eur. 74, 89, 100 Demmark 54, 85 100 Demmark 67, 89 100 ElB 6 90 300 ElB 52, 91 200 ElB 77, 89 200 Eletrobras-Brazil 7, 87, 100 Eurofima 67, 89 100 Finland 6,83 150 Indonesia 7, 84 160 Mirsublahi Chem. 67, 84 70 New Zealand 67, 87 200 Nippon Kokan 67, 84 100 Nippon Tel. & T. 57, 87 100 Nordic Inv. 8k: 67, 86 00 Norway 67, 84 200 OKB 67, 88 100 OKB 57, 88 100 OKB 57, 88 150 Chatoli 67, 89 150 Tokyo Elec. Pwr. 67, 25 Vanezuela 87, 30 150 World Bank 67, 88 400	\$37, 947, +03, -04, 7.45 \$32, 94, +03, -04, 7.45 \$34, 937, +03, -04, 7.33 \$37, 937, +03, +07, 7.33 \$101, 101, +03, 0 7.31 \$51, 957, 951, -07, +11, 7.73 \$41, 951, -03, -11, 7.73 \$41, 951, -03, -11, 7.23 \$101, 1007, +03, -03, -03, -7.38 \$73, 951, -03, -13, 7.23 \$101, 1007, +03, -03, -03, -5.56 \$393, \$57, +03, +03, -03, -7.33 \$101, 1007, +03, -03, -03, -03, -03, -03, -03, -03, -
Council of Eur. 74, 89, 100 Demmark 54, 85 100 Demmark 67, 89 100 ElB 6 90 300 ElB 52, 91 200 ElB 77, 89 200 Eletrobras-Brazil 7, 87, 100 Eurofima 67, 89 100 Finland 6,83 150 Indonesia 7, 84 160 Mirsublahi Chem. 67, 84 70 New Zealand 67, 87 200 Nippon Kokan 67, 84 100 Nippon Tel. & T. 57, 87 100 Nordic Inv. 8k: 67, 86 00 Norway 67, 84 200 OKB 67, 88 100 OKB 57, 88 100 OKB 57, 88 150 Chatoli 67, 89 150 Tokyo Elec. Pwr. 67, 25 Vanezuela 87, 30 150 World Bank 67, 88 400	\$37, 947, +03, -04, 7.45 \$32, 94, +03, -04, 7.45 \$34, 937, +03, -04, 7.33 \$37, 937, +03, +07, 7.33 \$101, 101, +03, 0 7.31 \$51, 957, 951, -07, +11, 7.73 \$41, 951, -03, -11, 7.73 \$41, 951, -03, -11, 7.23 \$101, 1007, +03, -03, -03, -7.38 \$73, 951, -03, -13, 7.23 \$101, 1007, +03, -03, -03, -5.56 \$393, \$57, +03, +03, -03, -7.33 \$101, 1007, +03, -03, -03, -03, -03, -03, -03, -03, -
Council of Eur. 74, 89, 100 Demmark 54, 85 100 Demmark 67, 89 100 ElB 6 90 300 ElB 52, 91 200 ElB 77, 89 200 Eletrobras-Brazil 7, 87, 100 Eurofima 67, 89 100 Finland 6,83 150 Indonesia 7, 84 160 Mirsublahi Chem. 67, 84 70 New Zealand 67, 87 200 Nippon Kokan 67, 84 100 Nippon Tel. & T. 57, 87 100 Nordic Inv. 8k: 67, 86 00 Norway 67, 84 200 OKB 67, 88 100 OKB 57, 88 100 OKB 57, 88 150 Chatoli 67, 89 150 Tokyo Elec. Pwr. 67, 25 Vanezuela 87, 30 150 World Bank 67, 88 400	\$37, 947, +03, -04, 7.45 \$32, 94, +03, -04, 7.45 \$34, 937, +03, -04, 7.33 \$37, 937, +03, +07, 7.33 \$101, 101, +03, 0 7.31 \$51, 957, 951, -07, +11, 7.73 \$41, 951, -03, -11, 7.73 \$41, 951, -03, -11, 7.23 \$101, 1007, +03, -03, -03, -7.38 \$73, 951, -03, -13, 7.23 \$101, 1007, +03, -03, -03, -5.56 \$393, \$57, +03, +03, -03, -7.33 \$101, 1007, +03, -03, -03, -03, -03, -03, -03, -03, -
Council of Eur. 74, 89, 100 Demmark 54, 85 100 Demmark 67, 89 100 ElB 6 90 300 ElB 52, 91 200 ElB 77, 89 200 Eletrobras-Brazil 7, 87, 100 Eurofima 67, 89 100 Finland 6,83 150 Indonesia 7, 84 160 Mirsublahi Chem. 67, 84 70 New Zealand 67, 87 200 Nippon Kokan 67, 84 100 Nippon Tel. & T. 57, 87 100 Nordic Inv. 8k: 67, 86 00 Norway 67, 84 200 OKB 67, 88 100 OKB 57, 88 100 OKB 57, 88 150 Chatoli 67, 89 150 Tokyo Elec. Pwr. 67, 25 Vanezuela 87, 30 150 World Bank 67, 88 400	\$37, 947, +03, -04, 7.43 \$31, 947, +03, -04, 7.43 \$31, 947, +04, -07, 7.33 \$31, 937, +04, +07, 7.33 \$101, 1014, +02, 0 7.31 \$51, 951, -07, +11, 7.73 \$41, 951, -07, -01, 6.22 \$42, 962, +04, +07, 6.56 \$42, 962, -07, -01, 7.29 \$101, 1007, +07, -02, 6.76 \$43, 972, +03, +07, 6.76 \$43, 972, +03, +07, 6.76 \$43, 972, +03, +07, 6.76 \$43, 972, +07, +07, 6.76 \$43, 972, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 407, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, 407 \$4
Council of Eur. 74, 89, 100 Demmark 54, 85 100 Demmark 67, 89 100 ElB 6 90 300 ElB 52, 91 200 ElB 77, 89 200 Eletrobras-Brazil 7, 87, 100 Eurofima 67, 89 100 Finland 6,83 150 Indonesia 7, 84 160 Mirsublahi Chem. 67, 84 70 New Zealand 67, 87 200 Nippon Kokan 67, 84 100 Nippon Tel. & T. 57, 87 100 Nordic Inv. 8k: 67, 86 00 Norway 67, 84 200 OKB 67, 88 100 OKB 57, 88 100 OKB 57, 88 150 Chatoli 67, 89 150 Tokyo Elec. Pwr. 67, 25 Vanezuela 87, 30 150 World Bank 67, 88 400	\$37, 947, +03, -04, 7.43 \$31, 947, +03, -04, 7.43 \$31, 947, +04, -07, 7.33 \$31, 937, +04, +07, 7.33 \$101, 1014, +02, 0 7.31 \$51, 951, -07, +11, 7.73 \$41, 951, -07, -01, 6.22 \$42, 962, +04, +07, 6.56 \$42, 962, -07, -01, 7.29 \$101, 1007, +07, -02, 6.76 \$43, 972, +03, +07, 6.76 \$43, 972, +03, +07, 6.76 \$43, 972, +03, +07, 6.76 \$43, 972, +07, +07, 6.76 \$43, 972, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 407, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, 407 \$4
Council of Eur. 74, 89, 100 Demmark 54, 85 100 Demmark 67, 89 100 ElB 6 90 300 ElB 52, 91 200 ElB 77, 89 200 Eletrobras-Brazil 7, 87, 100 Eurofima 67, 89 100 Finland 6,83 150 Indonesia 7, 84 160 Mirsublahi Chem. 67, 84 70 New Zealand 67, 87 200 Nippon Kokan 67, 84 100 Nippon Tel. & T. 57, 87 100 Nordic Inv. 8k: 67, 86 00 Norway 67, 84 200 OKB 67, 88 100 OKB 57, 88 100 OKB 57, 88 150 Chatoli 67, 89 150 Tokyo Elec. Pwr. 67, 25 Vanezuela 87, 30 150 World Bank 67, 88 400	\$37, 947, +03, -04, 7.43 \$31, 947, +03, -04, 7.43 \$31, 947, +04, -07, 7.33 \$31, 937, +04, +07, 7.33 \$101, 1014, +02, 0 7.31 \$51, 951, -07, +11, 7.73 \$41, 951, -07, -01, 6.22 \$42, 962, +04, +07, 6.56 \$42, 962, -07, -01, 7.29 \$101, 1007, +07, -02, 6.76 \$43, 972, +03, +07, 6.76 \$43, 972, +03, +07, 6.76 \$43, 972, +03, +07, 6.76 \$43, 972, +07, +07, 6.76 \$43, 972, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 407, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, 407 \$4
Council of Eur. 74, 89, 100 Demmark 54, 85 100 Demmark 67, 89 100 ElB 6 90 300 ElB 52, 91 200 ElB 77, 89 200 Eletrobras-Brazil 7, 87, 100 Eurofima 67, 89 100 Finland 6,83 150 Indonesia 7, 84 160 Mirsublahi Chem. 67, 84 70 New Zealand 67, 87 200 Nippon Kokan 67, 84 100 Nippon Tel. & T. 57, 87 100 Nordic Inv. 8k: 67, 86 00 Norway 67, 84 200 OKB 67, 88 100 OKB 57, 88 100 OKB 57, 88 150 Chatoli 67, 89 150 Tokyo Elec. Pwr. 67, 25 Vanezuela 87, 30 150 World Bank 67, 88 400	\$37, 947, +03, -04, 7.43 \$31, 947, +03, -04, 7.43 \$31, 947, +04, -07, 7.33 \$31, 937, +04, +07, 7.33 \$101, 1014, +02, 0 7.31 \$51, 951, -07, +11, 7.73 \$41, 951, -07, -01, 6.22 \$42, 962, +04, +07, 6.56 \$42, 962, -07, -01, 7.29 \$101, 1007, +07, -02, 6.76 \$43, 972, +03, +07, 6.76 \$43, 972, +03, +07, 6.76 \$43, 972, +03, +07, 6.76 \$43, 972, +07, +07, 6.76 \$43, 972, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 407, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, 407 \$4
Council of Eur. 74, 89, 100 Demmark 54, 85 100 Demmark 67, 89 100 ElB 6 90 300 ElB 52, 91 200 ElB 77, 89 200 Eletrobras-Brazil 7, 87, 100 Eurofima 67, 89 100 Finland 6,83 150 Indonesia 7, 84 160 Mirsublahi Chem. 67, 84 70 New Zealand 67, 87 200 Nippon Kokan 67, 84 100 Nippon Tel. & T. 57, 87 100 Nordic Inv. 8k: 67, 86 00 Norway 67, 84 200 OKB 67, 88 100 OKB 57, 88 100 OKB 57, 88 150 Chatoli 67, 89 150 Tokyo Elec. Pwr. 67, 25 Vanezuela 87, 30 150 World Bank 67, 88 400	\$37, 947, +03, -04, 7.43 \$31, 947, +03, -04, 7.43 \$31, 947, +04, -07, 7.33 \$31, 937, +04, +07, 7.33 \$101, 1014, +02, 0 7.31 \$51, 951, -07, +11, 7.73 \$41, 951, -07, -01, 6.22 \$42, 962, +04, +07, 6.56 \$42, 962, -07, -01, 7.29 \$101, 1007, +07, -02, 6.76 \$43, 972, +03, +07, 6.76 \$43, 972, +03, +07, 6.76 \$43, 972, +03, +07, 6.76 \$43, 972, +07, +07, 6.76 \$43, 972, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 407, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, 407 \$4
Council of Eur. 74, 89, 100 Demmark 54, 85 100 Demmark 67, 89 100 ElB 6 90 300 ElB 52, 91 200 ElB 77, 89 200 Eletrobras-Brazil 7, 87, 100 Eurofima 67, 89 100 Finland 6,83 150 Indonesia 7, 84 160 Mirsublahi Chem. 67, 84 70 New Zealand 67, 87 200 Nippon Kokan 67, 84 100 Nippon Tel. & T. 57, 87 100 Nordic Inv. 8k: 67, 86 00 Norway 67, 84 200 OKB 67, 88 100 OKB 57, 88 100 OKB 57, 88 150 Chatoli 67, 89 150 Tokyo Elec. Pwr. 67, 25 Vanezuela 87, 30 150 World Bank 67, 88 400	\$37, 947, +03, -04, 7.43 \$31, 947, +03, -04, 7.43 \$31, 947, +04, -07, 7.33 \$31, 937, +04, +07, 7.33 \$101, 1014, +02, 0 7.31 \$51, 951, -07, +11, 7.73 \$41, 951, -07, -01, 6.22 \$42, 962, +04, +07, 6.56 \$42, 962, -07, -01, 7.29 \$101, 1007, +07, -02, 6.76 \$43, 972, +03, +07, 6.76 \$43, 972, +03, +07, 6.76 \$43, 972, +03, +07, 6.76 \$43, 972, +07, +07, 6.76 \$43, 972, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 407, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, 407 \$4
Council of Eur. 74, 89, 100 Demmark 54, 85 100 Demmark 67, 89 100 ElB 6 90 300 ElB 52, 91 200 ElB 77, 89 200 Eletrobras-Brazil 7, 87, 100 Eurofima 67, 89 100 Finland 6,83 150 Indonesia 7, 84 160 Mirsublahi Chem. 67, 84 70 New Zealand 67, 87 200 Nippon Kokan 67, 84 100 Nippon Tel. & T. 57, 87 100 Nordic Inv. 8k: 67, 86 00 Norway 67, 84 200 OKB 67, 88 100 OKB 57, 88 100 OKB 57, 88 150 Chatoli 67, 89 150 Tokyo Elec. Pwr. 67, 25 Vanezuela 87, 30 150 World Bank 67, 88 400	\$37, 947, +03, -04, 7.43 \$31, 947, +03, -04, 7.43 \$31, 947, +04, -07, 7.33 \$31, 937, +04, +07, 7.33 \$101, 1014, +02, 0 7.31 \$51, 951, -07, +11, 7.73 \$41, 951, -07, -01, 6.22 \$42, 962, +04, +07, 6.56 \$42, 962, -07, -01, 7.29 \$101, 1007, +07, -02, 6.76 \$43, 972, +03, +07, 6.76 \$43, 972, +03, +07, 6.76 \$43, 972, +03, +07, 6.76 \$43, 972, +07, +07, 6.76 \$43, 972, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 6.77 \$41, 922, +07, +07, 407, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, +07, 407 \$41, 922, +07, 407 \$4
Council of Eur. 74, 89, 100 Demmark 54, 85 100 Demmark 67, 89 100 El8 6 90 300 El8 77, 89 200 El8 77, 89 100 Eletrobras-Brazil 7.87 100 Eletrobras-Brazil 7.87 100 Finland 6.83 150 Indonesia 7.84 160 Missublahi Chem. 67, 84 17 New. Zealend 67, 87 200 Nippon Kokan 67, 84 17 Nippon Tel. 8 7, 57, 87 100 Nordic Inv. 8k: 64, 86 60 Norway 67, 84 200 Occidental 67, 80 150 OKB 67, 88 100 OKB 68, 88 100 OKB 68, 88 150 Takvel 68, 88 150	\$37, 947, +03, -04, 7.45 \$32, 94, +03, -04, 7.45 \$34, 937, +03, -04, 7.33 \$37, 937, +03, +07, 7.33 \$101, 101, +03, 0 7.31 \$51, 957, 951, -07, +11, 7.73 \$41, 951, -03, -11, 7.73 \$41, 951, -03, -11, 7.23 \$101, 1007, +03, -03, -03, -7.38 \$73, 951, -03, -13, 7.23 \$101, 1007, +03, -03, -03, -5.56 \$393, \$57, +03, +03, -03, -7.33 \$101, 1007, +03, -03, -03, -03, -03, -03, -03, -03, -

OTHER STRAIGHTS '

Nippon Yen. 31-85 DM 1/73 251 Nissan Diesl. 31-86 DM 2/78 477 Olymp. Opt. 37-85 DM 2/79 703 Sharp Con. 51-88 DM 2/79 487 Stanley Elec. 31-DM ...11/78 623 Tokyo Elec. 31-87 DM 4/79 475 Tokyo Ld. Cp. 4 86 DM 4/79 493 Trio-Knwd. 32-86 DM...11/78 711

* No information availableprevious day's price. † Only one market maker

supplied a price. STRAIGHT BONDS: The yield is the yield to redemption of the mid-price; the amount issued is cept for Yen bonds where it is in billions. Change on week= Change over price a week earlier.

FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. M=Minimum coupon. C.dte=Date next coupon becomes effective. Spread =Margin above six-month offered rate (\$ three-month) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield. CONVERTIBLE BONDS: De-

nominated in dollars unless otherwise indicated. Chg. day= Change on day. Cnv. date=First Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

The list shows the 200 latest international bonds for which an adequate secondary market exists. The prices over the past week were supplied by: Kredietbank NV; Credit Commercial de France; Hutton Credit Lyonnais; E. F. Services SARL; Commerzbank AG; Deutsche Bank AG; Westdeutsche Landesbank Girozentrale: Banque Inter-Bank Luxembourg: Algemene Bank Nederland NV: Pierson Heldring and Pierson; Credit Suisse/Swiss Credit Bank, Union Bank of Switzerland; Akroyd and Smithers; Bankers Trust Inter-national; Bondtrade; Banque Francaise de Credit Inter-Citicoro International national; Bank; Daiwa Europe NV; Deltec Trading Company; Dillon Read Overseas Corporation; EBC; First Chicago; Goldman International Corporation; Hambros Bank; IBJ International: Kidder Peabody International; Merrill Lynch; Morgan Stanley International; Nesbitt Thomson Salomon Brothers International: Samuel Wontagu and Co.; Scandi navian Bank; Strauss Turnbull International; S. G. Warburg and Co.; Wood Gundy.
Closing prices on July 6

This announcement oppears as a matter of record only.

Nippon Densetsu Kogyo Co., Ltd.

4,000,000 Shares of Common Stock

(par value \forall 50 per share)

evidenced by European Depositary Receipts

Daiwa Europe N.V.

Banque Nationale de Paris

Fuji International Finance Limited Hill Samuel & Co. Limited

Pierson, Heldring & Pierson N.V.

James Capel & Co. Cazenove & Co. (Overseas) Kleinwort, Benson Limited Mitsubishi Bank (Europe) S.A. Morgan Grenfell & Co. Limited Nomura Europe N.V. J. Henry Schroder Wagg & Co. Limited Takugin International (Asia) Limited Vickers da Costa International Ltd: Yamaichi International (Europe) Limited

W. I. Carr, Sons & Co. Dai-Ichi Kangyo Bank Nederland N.V. Kyowa Finance (Hong Kong) Limited Mitsui Finance Europe Limited The Nikko Securities Co., (Europe) Ltd. Sanwa Bank (Underwriters) Limited Sumitomo Finance International Tokai Bank Nederland N.V. S. G. Warburg & Co. Ltd. Yasuda Trust and Finance (Hong Kong) Limited

Robert Fleming & Co. Limited

June, 1979

Olympia International Gifts Fair (01-855 9301) Olympia Bristol Exbn. Centre July 29-Aug. 2... Aug. 17—19 Aug. 25—Sep. 1... Custom Car Show (08833 4371) International Motor Cycle Show (01-741 2156) Earls Court International Hardware Trades Fair (St. Albans 63213) Sept. 7-12

OVERSEAS TRADE FAIRS AND EXHIBITIONS

Summer Home Furnishings Market (until July The National Houseware Exhibition
Wood '79—The International Forestry Development, Timber Processing and Wood Working July 16-20 International Engineering Exhibition
International Public Works and Municipal Services
Exhibition—GIVICON (01-486 1951)
Horse Show (Dublin 680645) July 23—28 July 23—27 National Hardware Show ENVIRO '75—The International Environmental Singapore and Engineering Exhibition
International Trade Fair (01-486 1951)

Malmo Aug. 13—17 Aug. 17—26 Aug. 17—26 Aug. 20—Sep. 20 Aug. 20—24 International Fair Izmir International Packaging and Food Processing
Exhibition—PAKPROCESS (01-486 1951) Aug. 26—27 Zuspa: International Shoe Samples Fair
Aug. 26—29 International Fair (01-734 0543)
Aug. 29—Sep. 12 Timber and Woodworking Industry Exhibition

Chicago

Singapore Melbourne Johannesburg Chicago

Zurich Frankfurt Johannesburg

BUSINESS AND MANAGEMENT CONFERENCES

Bradford University: Management Information and Modelling Systems (Bradford 42299) (until FT/City University course: Financial Management Current For The Non-Financial Executive (01-236 4382) (until Jul; 20)
ASM: Business Laws for Directors (01-385 1992) Centre for Advanced Land Use Studies: Marketing Recreational Facilities (Reading 861101) July 12—14 Industrial Participation Association: Summer Conference (01-222 0351)
MSS: Inventory Management and Control (Worthing 34735)
Institute of Purchasing and Supply: Oil—How July 13-15 serious a crisis? (Ascot 23711)

IPS: Is there an Oit Crisis? (0990 23711)

ASM: Management of the Drawing Office July 17—19 (01-385 1992) Benn Publications: Machinery, Adding Value and July 17-18 Marketing (01-353 3212) Offshore Centre: Oil and Gas Developments and July 18 Energy Programmes in Argentina (01-439 9021) Lloyd's of London Press—BiLA London Collo-quium 79 (01-353 1000) July 18-20 The Institute of Metallurgical Technicians: Heat July 19-20 Treatment—Methods and Media (01-446 2251)
INCOMTEC: Product Liability—Law and Practice
in Britain and Abroad (0276 62677)
DIB: Speaking Course Based on Special Industrial July 20 Subjects (00441 27671774) CCC: A Practical Guide to Business Law in the UK (01-222 6362)

Centre for Extension Studies: Summer July 22-27 July 22-28 Programme (0509 63171)

July 23—27 July 24—25 BACIE: Training for the Office (01-636 5351) LAMSAC: Housing Management and the Computer (01-S28 2333) LAWSAC: Mini and Micro Computers in Local Government (01-828 2333) July 30-Aug. 1 . July 30-Aug. 17.

AUSTRALIAN SHIPPING COMMISSION

DM100,000,000 8% Deutschemark bonds of 1976-1983

US\$42,000,000 81% US-Dollar bonds of 1976-1983 The Australian Shipping Commission is making certain financial arrangements following completion of which its intention is to

exercise its rights to redeem the above-mentioned issues on the

but is given by the Australian Shipping Commission at the first opportunity to ensure that holders of the bonds have been

formal notice must be given not less than 90 days prior to redemption and must be displayed in the appropriate publications.

A further statement or such formal notice will be issued as soon as a final decision has been taken by the Australian

This is not a notice of redemption in respect of either issue

In accordance with the terms and conditions of the issues,

first call date (1st September, 1980).

adequately informed of its intentions.

For AUSTRALIAN SHIPPING COMMISSION

Deutsche Bank

Oyez-IBC. International Conference on Cohesive Sediments (01-242 2481) Compower: Basic Trainee Programming Course (Cannock 2511) British Safety Council: Product Liability-Let the Seller Beware (01-741 3812) MSS Computer and Business Consultancy: The Executive Secretary (Worthing 34755)

Bradford

The City University Piccadilly Hotel, W1 Reading University

Churchill College Cambridge

Grosvenor House Hotel, W1 Grosvenor House Hotel, W1 Piccadilly Hotel, W1 Singapore

Regent Street, W1 University College, London University of Aston

Europa Hotel, W1

Bagshot, Surrey Queen's College, Cambridge University of Technology,

Loughborough Sackville Hotel, Hove Regent's Park, NW1 Regent's Park, NW1

British Foods, Conaunght Rooms, Queen St., W.C., 11.00.
S Brothers, The Old Cottages, Lower St., Hinckley, 12.00
e Close, Winchester Hause, 100 Old St., E.C., 12.00
) Seturities, Winchester Hause, 100 Churchill College, Cambridge ol Securities. Winchester House, 100.
Broad St. E.C., 12.08
shams. The Wigmore Hall. Wigmore
W., 12.00
st. 117. Old Broad St., E.C., 12.15
(John), Waldorf Hotel, Aldwych, 12.30 Cannock, Staffs, Hilton Hotel, W1 Worthing

We British are a peaceful people. When a war is over we like to consign it to the history books -- and

But for some the wars live on. The disabled from both World Wars and from lesser campaigns, now all too easily forgotten; the widows, the orphans and the

children - for them their war lives on, every day and

In many cases, of course, there is help from a pension. But there is a limit to what any Government

Department can do.
This is where Army Benevolence steps in. With

understanding. With a sense of urgency . . . and with practical, financial help.

To us it is a privilege to help these brave men -and women, too. Please will you help us to do more? We must not let our soldiers down.

The Army Benevolent Fund

for soldiers, ex-soldiers and their families in distress

Dept. FT, Duke of York's HQ, London SW3 4SP

Ailletts Leisure, Abertorn Rooms, Liver-

pool St. E.C. 12.00
Scottish European Inv. 45, Charlotte
Square, Edinburgh, 2.30
Twinlock, 51, Ermin's Hotel, Camon St.,
S.W. 11.30,
BOARD NEETINGS—
Finals Behaven Srew. Bulmer (H. P.).
Darae Inv. Tst. Downing (G. H.). Holias
Gp. Latham (J.). Mitchell Somers. Moorgate Inv. Textured Jersev. Wood 'S. W.).
Interiors.

gate inv. Textured Jersev. Wood is. W. Interims. Inv. Tst.
Gen. Consd. Inv. Tst.
DIVIDEND & INTEREST PAYMENTS—
Bishop's Stores Ord. and A 1.5104p
CNA Investments 20 cents
Campbell and Isherwood 3.286sp
Crean (James) 1.75p
Deritend Stamping 7.72p
French (Thomas) 14p
Jersev General Inv. Tst. 8.5p
Keystone Inv. 2.5p
Rowntree Mackintosh 8.5p
Sharpe and Fisher 0.2p
THURSDAY. Jahv 12

THURSDAY, July 12 COMPANY MEETINGS-

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial agements during the week. The Board meetings are mainly engagements during the week. The Board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends concerned are interims or finals. The sub-divisions shown below are based mainly on last year's timetable.

Rowton Hotels. Mount. Pleasant Hotel.
Calthorne St. W.C., 12.00
Warrington (Thomas), Greavenor Hotel.
Exigate St., Chester, 11.00
BOARD MEETINGS—
Lennons. Rottmans Intl. Side, and 69.
Apps. Downs Surgical. Howrises Go.
Lennons. Rottmans Intl. Side, and 69.
Lennons. Rottmans Intl. St. Kewins, 10d. Gas Inds. Watson (R. Kewins, 10d. Gas Inds. Watson), Cruching St. Andrew Tet. Thomas Inv. Tst. Watson and Philip
Drilloend & Internets Payments—
Autrance Laundries 1.7659
Autrand Income 6.70. Capital 9.3350
Barrow Heoburn 19
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Barrow Heoburn 19
Barrow Horous 1.500p. 10pcPf. 3.5pc
Capper-Neull 2019
Downleber 1.42p COMPANY MEETINGSakebread Robby, 373. Southbury Rd-Embeld, Middlesex, 11.00 ass Middlesex, 11.00 loss. Middlesex, 11.00 loss. Peterporough, 2.45. crinum, and Mason, Mayfair Hobel, W., no.ast. raser and Ansbacher. Plaisterer's Hall. 1. London Wall. E.C.: 11.50. undon and Overseas freighters. Baltic Exchange Chambers, 14-20. St. Mary Axe. E.C.: 11.00. E.C. 11.00

B.O.ARD MEETINGS—
Finals: Cardo Eng. Greis Shipping.
Marce Estardo Eng. Northern. Inc.
Marce Estardo Eng. Northern. Inc.
Discours Holidays.
DIVIDEND & INTEREST RAYMENTS—
Avon Rubber 49
Salley (Ben) Construction 0.239
British Waterworks 3.5pc (Imiy. Spc) Cons.
Pi. 1.75pc. 3.5pc (Imiy. Spc) Cons.
Pil. 1.75pc. 3.5pc (Imiy. Spc) Cons.
Perp.Pi. 1.920. 3.5pc (Imiy. 4pc)
Red.Pi. 1982 1.925pc. 2.8pc (Imiy. 4pc)
Red.Pi. 1982 1.925pc. 2.8pc (Imiy. 4pc)
Red.Pi. 1982 4.25pc. (Imiy. 5:pc)
Red.Pi. 1983 4.25pc. Spc. Red.Pi. 1980
4.5pc. (Pop.Red.Pi. 1979 Spc.
Brooke Tool Engine. 1.21p.
London and Northern 2.1p.
London and Northern 2.1p.
London and Northern 2.1p.
London and Northern 2.1p.
North British Steel 0.66p
Scout's Restaurant 2.18p
Singsby (H. C.) 1.8p
Singsby Ch. M. A Ord. 2.54p. § Ord.
0.468p
Scewart and Wight 4p 2.1pc Coches 1.42p
Executive Coches 1.42p
Foster Brothers Ciothing 5.43373p
Foster Conners Stoos 3.317p
Moorhouse and Brook 3.95p
Moor Engineering 2.01p
Rasks Howls McDoogail 1.452p
Rassome Hofmann Pollard 1.44p
Tameside Var Rate Red. 1983 56.5625
Yorkshire and Lancs. Inv. Tst. 0.5p COMPANY MEETINGS.

FRIDAY, JULY 13

COMPANY MEETINGS.

British Vending Inds., Unit 3. Ply

Flace, Garth Red., Morden, Surrey.

Buckley's Brewery, Smith's Arms, 1

Ilogil, Langlil, 1045.

BOARD MEETINGS.—

Finals: rinals: Marston Thompson and Evershed Thora Electrical Town and City Props. Janer less

Interior: ewhere and Partner DIVIDENO & INTEREST PAYMENTS-COMPANY MEETINGS Campbell and Isherwood. Peapoll Works, Hawthorne Rd. Boode. Merseyage, 11,00. Daily Mail and General Trust, Carmelite House. E.C., 12,00. Howard and revenues 3.25p
Lin. 9pc
Hunting Petroleum Services 3.25p
Kelsey Iondon Atlantic Inv. 2.1p
Lucas Inds. Lin. 5-spc
Marks and Spencer 1.4587p
Minty 4.246p
Minty 4.246p se. E.C., 12,00. Castle Securities. Castle Chambers. Castle St., Liverpool. 11.46. Securities Invest. Tst., Desonshire se. Piccalilly. W. 12.00. pool Invests., 120, Cheapside, E.C., Westbook Invests. 120, Cheabside, E.C., 3.00.

80ARD MEETINGS—
Finals: Euron Centre Props. Investors
Finals: Euron Centre Props. Investors
Wighail (H.), Wrighton F. 10.
DIVIDEND & INTEREST PAYMENTS—
Sirstol Waterworks 4.5pc (fmly. 7pc max)
Cons. Ord. 1.225pc, 3.5pc (fmly. 5pc)
max. Ord. 1.225pc, 3.5pc (fmly. 5pc)
max. Ord. 1.225pc, 3.5pc (fmly. 5pc)
Browning Ferris Inds. 15 cents
Cakebread. Robey Ord and A 1.32p
Canal Randolph Corps. 15 cents
East Middland Affled Press Ord. and A
1.15892p linty 4.245p
doorside Trost Ob. 15mc
dorsale Trost Ob. 15mc
dorsale 1, P.) 82ly cents
orth Middland Construction 0.45p
ccidental Petroleam 31t cents
anto (P.) 0.8p
arkland Tentile Ord. and A 1.77778p
chlumberger 27th cents
cuttish European Inv. 1.25p
tockholders Invest. Trust 1.1p
/arrioston (Thomas) 2.1642p Warrington (Thomas) 2.1642P
DIVIDEND 2.1MTPREST PAYMENTS—
Associate Electrical Inds. Db. 3-apc
Edinburgh inv. Trust Db. 11, 2-apc
Funding 34-pc 1999-2004 11-pc
Goldberg (A.) 3.8225p
Imperial Cold Storage and Supply 5.18324;
Mellins 10pcPt. 7pc
Trafalgar House 2.11p
Treasury Ln. 12-pc 1993 64pc
SUMDAY, JULY 15 Group 3.238923p Water Board Shoc Red. 1977-79 2-apc Red Hewden Stuart Plant 0.77378p Hinton (Amos) 1.89581p Hongkong Tin 400 mewgen Stuart Plant 0.77378b Hinton (Amosu 1.89581p / Hongkong Tin 40p Imperial Chemical Inds. Ln. 4oc Ireland 7-ipc 1981-83 3-ipc Law Land 0.5p London County Sizec 1985-90 3-ipc Sheepbridge Engag. 2.51p Thomson T-Line Caravans 1.7p Tressury Ln. 8-ipc 1984-86 4-ipc Tressury 11-ipc 1981 5-ipc Vaux Breweries 1.8425p Young Co. Brewery AOrd. and N.-vig. 1.8223p SUNDAY, JULY 15 DIVIDEND & INTEREST PAYMENTS-WEDNESDAY JULY 11 Sarrow Hepburn, Connaught Rooms, Great Queen St., W.C., 11.00. Capper Neil, Midland Hotel, Manchester,

SUNDAY, JULY 15
DIVIDEND & INTEREST PAYMENTS—
Agricultural Mortgage Coron. 6-lapcDb.
1992-94 3-lapc. 5-japcDb. 1960-85 2-lapc.
5pc 5-japcDb. 1993-95 2-lapc
Bell Canada 38 tents
Camden 12-lapc Red. 1985 6-lapc
City Offices 4-lapce/1. 1.575cc
Con. of London 6-lapc 1980-82 3-lapc
Cosalt Ln. 5pc
Fluor Coron. 37:2 cents
Fluodens 5-lapc 1982-84 2-lapc
Imperial Chemical Inds. Bds. 5-lapc
London Silapc 1982-84 2-lapc
London Brick Ln. 7pc
London Brick Ln. 7pc
London County 5-lapc 1982-84 2-lapc
London County 5-lapc 1982-84 2-lapc
London County 5-lapc 1982-84 3-lapc
Reval Ward Resolution 1979-81 3pc
Reval Ward Reval 1979-81 3pc
Reval Ward Reval 1979-81 3pc
Reval Ward Reval 1979-81 3pc
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Reval Ward Reval 1979-81 3pc
Reval Ward Reval 11.30.

Energy Services and Electronics: Picosdilly Note! Piccadily. W... 12.00

Executive Clothes. Pateley Room, Queens
Hole! Leeds. 11.30.

Foster Bruthers. St. Johns Horel, E51.

Warwick Rd. Solhull. West Midlands.
12.00

Holt Lloyd Intnl., Lloyds House. Alderley
Rd., Wilmatow. Cheshire. 3.00

London Sumatra Plantations, Bathic Exchange. 14-20, Sl. Mary Axe. E.C...
12.00

WEDNESDAY

Tougher regime for detention centres under consideration

THE GOVERNMENT is considering introducing "a tougher that within the overall ap-regime" into a limited number proach to young offenders there. of detention centres in advance of possible new legislation which would allow very short? deterrent custodial, sentences for young offenders.

role of detention centres,

He said that at present someyoung offenders are "herded be possible in the first place to together in appallingly over introduce the tougher regime crowded conditions in old into some detention centres prisons. "Wherever young within the existing legislation. offenders were given long custodial sentences they must be would be necessary to work out provided with proper training the precise staffing arrange facilities and the Government ments for these detection

However, Mr. Brittan said must also be room for a custodial sentence that "does not pretend to have a substantial training element in it." The Government's proposals Such a short custodial sentence for dealing with young offenders would be dealing with young offenders would be dealed yesterday by Mr. particularly for the least that the Government's Minister, in a speech to the context that the Government's Conservative Political Centre proposals for tougher regimes conservative Political Centre proposals for tougher proposals for tougher regimes conservative Political Centre proposals for tougher proposals for tougher proposals for tougher proposals for tougher proposals for tougher proposals for tougher proposals for tougher proposals for tougher proposals for tougher proposals for tougher pr Mr. Brittan said the present tion centres must be seen. borstals and young offenders of a few weeks or less were prisons needed "radical re evaluable to the Courts legis lation would be required, but Mr. Brittan said that it would

With this in mind he said i must, over a period of time, centres and to decide on the seek to provide adequate, criteria and method of allocate resources for training. ing for them.

This week in Parliament

mittee stage. LORDS - Northern Ireland Orders St. Vincent, Termina-Ireland second reading. EEC budget. TOMORROW

COMMONS-Finance Bill, com-Rhodesia.

COMMONS—Motions on MPs' LORDS-Debate on Govern- agencies.

._ . ment plans to reverse the UK's COMMONS-Finance Bill, com-economic decline. Criminal Justice (Amendment) Bill

THURSDAY tion of Association Order: COMMONS-Education Bill, Debate on UK contribution to remaining stages. EEC budget. LORDS—Pensioners' Payments and Social Security Bill, all stages. Social Security-Revaluapletion of committee stage, tion of Earnings Factors Order Motion on Customs Duty Army, Air Force and Naval (Personal Reliefs) Amendment Discipline Acts continuation Order. Debate on 16th repor LORDS-Government debate on of the EEC on textile and clothing industry. Short debate on Home Office circular on juveniles and co-operation

and other

between police

For advertising details please ring 01-248 8000

Extn. 7008 LOCAL

AUTHORITY

Every Saturday the

BONDS

Financial Times publishes a table giving details of

LOCAL AUTHORITY BONDS

on offer to the public.

REGIE NATIONALE DES USINES RENAULT

6.75% 1967-1982

Loan of U.S.\$ 20,000,000

We inform the bondholders that the redemption instalment of U.S.\$2,000,000 nominal due 1st August 1979 has been satisfied by purchase of U.S.\$1,375,000 nominal bonds and by the drawing for redemption of the undermentioned bonds amounting to U.S.\$625,000 on 15th June 1979, in Luxembourg, in the presence of an "Huissier."

The bonds will be raimbursed at par on 1st August 1979, coupon due 1st August 1980 and followings arrached according:

to the modalities of payment on the reverse of the bonds. The numbers of such drawn bonds are as follows:

4180 - 4181 - 4184 - 4188 - 4189 - 4190 - 4199 - 4200 - 4201 - 4202 - 4203 - 4204 - 4205 - 4206 - 4207 - 4208 - 4209 - 4210 4211 - 4212 - 4213 - 4214 - 4215 - 4216 - 4217 - 4218 - 4219 - 4220 - 4222 - 4223 - 4224 - 4225 - 4226 - 4227 - 4226 - 4228 - 4230 - 4231 - 4232 - 4233 - 4234 - 4240 - 4241 - 4242 - 4243 - 4244 - 4245 - 4249 - 4250 - 4251 - 4252 - 4253 - 4254 4255 - 4256 - 4257 - 4258 - 4259 - 4260 - 4261 - 4262 - 4263 - 4264 - 4265 - 4265 - 4267 - 4268 - 4269 - 4270 - 4278 - 4288 4290 - 4291 - 4292 - 4322 - 4327 - 4328 - 4369 - 4370 - 4371 - 4372 - 4373 - 4374 - 4375 - 4376 - 4377 - 4378 - 4379 - 4380 4381 - 4382 - 4383 - 4384 - 4385 - 4386 - 4387 - 4388 - 4389 - 4390 - 4391 - 4392 - 4393 - 4394 - 4395 - 4395 - 4397 - 4398 4393 - 4401 - 4402 - 4403 - 4404 - 4405 - 4406- 4407 - 4408 - 4409 - 4410 - 4417 - 4412 - 4413 - 4415 - 441 4435 _ 4436 _ 4437 _ 4438 _ 4439 _ 4440 _ 4441 ~ 4442 ~ 4443 ~ 4444 ~ 4445 ~ 4446 ~ 4447 ~ 4448 ~ 4449 ~ 4451 ~ 4451 ~ 4452 4453 _ 4454 _ 4455 _ 4456 _ 4457 _ 4458 _ 4459 _ 4460 _ 4461 _ 4462 _ 4463 _ 4464 _ 4465 _ 4466 _ 4467 _ 4468 _ 4469 _ 4477 _ 4471 _ 4472 _ 4473 _ 4475 _ 4494 _ 4495 _ 4510 _ 4511 _ 4512 _ 4513 _ 4514 _ 4515 _ 4516 _ 4518 _ 4519 _ 4520 _ 4521 _ 4532 4533 _ 4536 _ 4548 _ 4549 _ 4550 _ 4558 _ 4560 = 4561 = 4570 - 4590 - 4582 - 4583 - 4584 - 4585 - 4586 - 4587 - 4588 - 4588 4590 - 4595 - 4596 - 4597 - 4598 - 4599 - 4600 - 4601 - 4602 - 4610 - 4611 - 4612 - 4613 - 4614 - 4615 - 4616 - 4617 - 4618 4619 _ 4620 _ 4627 _ 4628 _ 4629 _ 4648 _ 4699 - 4700 - 4701 - 4702 - 4703 - 4759 - 4759 - 4794 - 4799 - 4713 - 4814 - 4620 4855 - 4858 - 4859 - 4861 - 4662 - 4863 - 4864 - 4869 - 4875 - 4876 - 4877 - 4878 - 4882 - 4883 - 4884 - 4805 - 4895 - 4895 4897 - 4901 - 4904 - 4905 - 4906 - 4907 - 4906 - 4909 - 4910 - 4911 - 4913 - 4914 - 4915 - 4916 - 4917 - 4916 - 4919 - 4930 - 4921 - 4922 - 4923 - 4924 - 4925 - 4926 - 4927 - 4928 - 4929 - 4930 - 4931 - 4932 - 4933 - 4934 - 4935 - 4936 - 4937 4930 _ 4939 _ 4940 _ 4941 _ 4942 ~ 4933 ~ 4944 ~ 4945 ~ 4946 ~ 4947 **~ 4948 ~ 4949 ~ 4950 ~ 4951 ~ 4952** 4956 _ 4957 _ 4958 _ 4959 _ 4960 _ 4961 _ 4962 _ 4963 _ 4964 _ 4965 _ 4966 _ 4967 _ 4968 _ 4969 _ 4270 _ 4972 _ 4972 _ 4973 _ 4974 _ 4975 _ 4975 _ 4975 _ 4975 _ 4975 _ 4975 _ 4975 _ 4975 _ 4989 _ 49 4992 - 4993 - 4994 - 4995 - 4995 - 4997 - 4998 - 4999 - 5000 - 5001 - 5002 - 5003 - 5004 - 5005 - 5006 - 5007 - 5008 - 50 5096 - 5087 - 5098 - 5101 - 5103 - 5104 - 5105 - 5106 - 5107 - 5106 - 5109 - 5110 - 5111 - 5112 - 5113 - 5114 - 5115 - 5115 5117 - 5134 - 5149 - 5150 - 5151 - 5152 - 5153 - 5154 - 5177 - 5180 - 5181 - 5182 - 5183 - 5184 - 5185 - 5186 - 5187 - 5188 - 5189 - 5190 - 5191 - 5192 - 5193 - 5194 - 5195 - 5196 - 5197 - 5198 - 5199 - 5204 - 5205 - 5206 - 5209 - 5210 - 5315 - 5216 - 5216 - 5210 - 5315 - 5216 - 5210 - 5315 - 5216 - 5210 - 5315 - 53 5217 - 5218 - 5219 - 5222 - 5223 - 5224 - 5225 - 5226 - 5227 - 5250 - 5251 - 5284 - 5285 - 5392 - 5314 - 5330 - 5332 5333 - 5338 - 5339 - 5340 - 5341 - 5411 - 5412 - 5413 - 5414 - 5415 - 5416 - 5419 - 5430 - 5421 - 5422 - 5423 - 5424 - 5425 5426 - 5427 - 5428 - 5429 - 5430 - 5431 - 5432 - 5433 - 5434 - 5435 - 5436 - 5437 - 5438 - 5439 - 5440 - 5441 - 5442 - 5443 5444 - 5445 - 5446 - 5447 - 5448 - 5453 - 5471 - 5472 - 5528 - 5529 - 5530 - 5596 - 5597 - 5598 - 5599 - 5600 - 5601 - 5609 -5610 - 5611 - 5612 - 5613 - 5614 - 5615 - 5616 - 5617 - 5618 - 5619 - 5620 - 5621 - 5622 - 5623 - 5624 - 5626 - 5627 - 5628 5630 - 5631 - 5632 - 5633 - 5634 - 5635 - 5636 - 5637 - 5638 - 5639 - 5640 - 5641 - 5642 - 5643 - 5644 - 5645 - 5646 - 5647 5646 - 5649 - 5650 - 5651 - 5652 - 5653 - 5725 - 5726 - 5731 - 5732 - 5733 - 5746 - 5747 - 5796 - 5802 - 5803 - 5804 - 5805 - 5806 - 5907 - 5805 - 5809 - 5610 - 5615 - 5826 - 5829 - 5830 - 5831 - 5832 - 5833 - 5834 - 5835 - 5836 - 5837 - 5638 - 5839 - 5840 - 5841 - 5842 - 5843 - 5846 - 5862 - 5863 - 5866 - 5867 - 5868 - 5883 - 5884 - 4848 5840 - 5841 - 5842 - 5843 - 5846 - 5862 - 5863 - 5866 - 5867 - 5868 - 5883 - 5884

Amount outstanding after 1st August 1979: U.S.\$6,000,000 nominal.

The Principal Paying Agent SOCIETE GENERALE ALSACIENNE DE BANQUE 15. Av. E. Reuter LUXEMBOURG.

This advertisement complies with the requirements of the Council of The Stock Exchange. It does not constitute an offer of or invitation to subscribe for or purchase ony securities.

\$50,000,000

Carter Hawley Hale Overseas Finance N.V.

(Incorporated in the Netherlands Antilles)

9%% GUARANTEED NOTES DUE 1986

Payment of principal, premium, if any, and interest unconditionally guaranteed by

CARTER HAWLEY HALE CREDIT CORP. (Incorporated in the State of Nevada, U.S.A.)

A syndicate managed by the following has agreed to subscribe for the Notes:

MORGAN STANLEY INTERNATIONAL

Limited AMSTERDAM-ROTTERDAM BANK N.V.

BANQUE BRUXELLES LAMBERT S.A. N.M. ROTHSCHILD & SONS

DEUTSCHE BANK Aktiengesellschaft

Limited

SWISS BANK CORPORATION (OVERSEAS) Limited

WESTDEUTSCHE LANDESBANK GIROZENTRALE

The Notes, in the denomination of U.S. \$1,000 each, issued at 100 per cent, have been admitted to the Official List by the Council of The Stock Exchange, subject to the issue of the temporary Note. Interest is payable annually in arrears on 1st July, commencing on 1st July, 1980.

Particulars relating to the Notes, the Borrower and the Guarantor are available in the Extel Statistical Services Limited and copies of the Statistical Card may be obtained during normal business hours on any weekday (Saturdays excepted) up to and including 23rd July, 1979 from the brokers to the issue:

> Cazenove & Co... 12, Tokenhouse Yard, London, EC2R7AN.

This advertisement complies with the requirements of the Council of The Stock Exchange

\$100,000,000

Warner-Lambert International, N.V. (Incorporated in the Netherlands Antilles)

9% GUARANTEED NOTES DUE 1984

Payment of principal, premium, if any, and interest unconditionally guaranteed by

WARNER-LAMBERT COMPANY (Incorporated in the State of Delaware, U.S.A.)

The following have agreed to subscribe for the Notes: MORGAN STANLEY INTERNATIONAL

ALGEMENE BANK NEDERLAND N.V.

BANQUE BRUXELLES LAMBERTS A. DEUTSCHE BANK

BANQUE NATIONALE DE PARIS

Aktiengeselfschaft. MORGAN GRENFELL & CO.

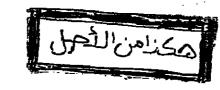
DRESDNER BANK Aktiengesellschaft SUCLÉTÉ GÉNÉRALE

SOCIÉTÉ GÉNÉRALE DE BANQUE S.A.

The Notes, in the denomination of U.S. \$1,000 each issued at 9914 per cent, have been admitted to the Official List by the Council of The Stock Exchange, subject to the issue of the temporary Note. Interest is payable annually in arrears on 1st July, commencing on 1st July, 1980.

Particulars relating to the Notes and to the Borrower are available in the Extel Statistical Services Limited and copies of the Statistical Card may be obtained during normal business hours on any weekday (Saturdays excepted) up to and including 23rd July, 1979 from the brokers to the issue:

> Cazenove & Co... 12, Tokenhouse Yard, London; EC2R7AN.



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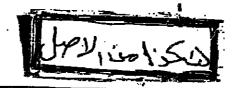
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BONDS

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AUTHORISED

373 123 228 Albany Life Assurance Co. Ltd. 31, Old Burlington St., W.L. 03

AMEV Life Assurance Ltd. V Alma Hse., Alma Rd., Relgate. AMEV Managed 11477 155

Barriays Life Asser. Co. Ltd. 252 Rougled Rd. E7.

SW1A 9.1G. 01-222-8177 The Stor Guadran|56.2 59.1|| 3.58 Quadran Sebag Unit Tst. Managers Ltd. (2)
PO Box 511, Bottery. Hse., E.C.A. 01-236.5

4M 6LD 01-236 6044 76.5 - 339 74.6 - 7.53 dealing July 13. NEL Trust Managers Ltd.♥ (a)(g) 57.7| +0.3| 7.50 75.8 +0.1 \$570 46.8 +0.1 \$52 51.9 +0.4 4.83 Provincial Life

Target Tst. Mingrs, Ltd. (a) (g) 31, Gresham St., EC2. Dealings: 0296-5941 Preference Share...

-0.2 -0.3 13.30 -0.5 7.82 Equity & Law Life Ass. Soc. Ltd. 20494 33377 132 9 +0.7 — 131 9 -0.8 — 110 9 — London Life Linked Assur, Ltd. 81 King William St., EC4N 7BD. 01-626 0511 The London & Manchester Ass. Gp.V

Winstade Park, Exeter Cap, Growth Fund of lex, Exempt Fd. Exempt Prop. Fd. Expt. Inv. Tst. Fd. Vexible Fund. eral Portfelio Life Ins. C. Ltd.V 0202767655 M & G Group* Three Quays, Tower ıFd.Bd.* 121.4 124.6 58.121 01-2837107

Spantian Royal Exchange Property Bd.**..... Recovery Fd. Bd.*....

DT-534 5544

BONDS

ion Wall Group tal Growth.....

TSB Unit Trusts(y)
21, Chartry Way, Andover, Han
Dealings to 0264
(b) TSB General 50,0
(b) Do, Accum 65,2
(b) TSB iscore 56,7
(b) Do, Accum 66,8
TSB Scottish 82,1
(b) Do, Accum 89,6

Reval Insurance Group

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4, Gt. St. Heierr s, L.
Bal. Intv. Fd.
Property Fd.
Gilt Fd.
Deposit Fd.
Comp. Pers. Fd. +.
Equity Pers. Fd. ..
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SUBSCRIPTIONS

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Kinanciai Times Monday July 9 1979 INDUSTRIALS Continued INSURANCE—Continued INVESTMENT TRUSTS—Cont. FINANCE, LAND—Continued 1610.8 82 London Branch Office Tel: (606) 7382-5 Telex: 884029, 884020 MINES—Continued **AUSTRALIAN** OILS 10 4.134.5 im Creek 20c_ MOTORS, AIRCRAFT TRADES Motors and Cycles Components **COPPER** Dec.|Messina RO.50 | **MISCELLANEOUS** AND SISALS GOLDS EX-\$ PREMIUN TAMES AND STATE OF THE PROPERTY AND STATE OF **TEAS** 4*b* H5.75 1010.117.1 India and Bangladesh

Discretors of the control of India and Bangladesh FINANCE 314 | 123 + 1060t | 1.7|13.9 30 | 234 | 0.56 | 6.5 | 2.7 90 | 1274 | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | -

FINANCIALTIMES

Monday July 9 1979



THE LEX COLUMN

Dividend policy

reconsidered

However, the figure that really

matters these days is the cost of the dividend in relation to

current cost earnings. Phillips

and Drew estimate that cover of 2.6 times on historic cost earnings would fall to 2.0 times

on earnings calculated accord-ing to ED 24. And although there are no golden rules, that seems to be much too cautious.

a payout ratio for most UK

Current cost earnings are a

measure of what is left to

company after it has put enough

aside to maintain the existing shape of the business in real

terms. There are arguments

capital maintenance in this cea-text, but ED 24 is a reasonably conservative way of doing the figures since it does not take

into account the full benefit of

gearing on fixed assets. So in theory a company which had no prospects of achieving real

sider the possibility of paying

out its current cost earnings in

full. And a company which was

ings. There is nothing sacro-

Company managers will find

selves with rights issues. Others

sanct about size.

companies to adopt.

Now that the end of statutory about the proper definitions of

crease to a level which left the growth ought at least to con-

not universally popular—espect full. And a company which was ally when contrasted with a making reasonable profits in a

statement shortly afterwards business which was actually from BP which promised that contracting ought to pay out its dividend this year would be more than its current cost earn-

better for everyone concerned. all softs of excuses for being

Carter calls in U.S. business leaders to oil crisis talks

Hattersley warns Labour councils

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

dis-

includes supervisors from the banks, aside from any con-

Group of Ten central banks straints imposed on reporting by

of a sizeable oilfield in Saudi's the size but we are very eastern province.

"We have not yet the size but we are very excited," Dr. Taher said. The

governor of the State petroleum view last week by the Saudi Oil

Dr. Abdul Hadi Taher, find was announced in an inter-

organisation Petromin, said last Minister, Sheikh Ahmad Zaki barrels a day."

day summoned top business advisers, or Congress, or out-leaders along with his energy side interests," Mr. Eizenstat advisers to his Camp David retreat. It was the third day petrol shortages written at the awaited at home and abroad, of extraordinary consultations end of June and since published where the U.S. commitment to to plot new courses for the U.S. oll and economic policy whose impact will bear directly on Mr. Carter's political future.

Last week he abruptly cancelled a scheduled nation-wide energy announcement, which he deemed insufficiently prepared to cross the political watershed his Administration has now reached.

The political crisis, posed by the confused muddle in U.S. energy policy, has been underlined in a leaked memorandum to the President from his top domestic adviser, Mr. Stuart Eizenstat comparing the damage to that done by previous Administrations by the Vietnam war.

"Nothing else has so frustrated, confused, angered the

BY DAVID CHURCHILL

MR. ROY HATTERSLEY,

Shadow Environment Secre-

tary, yesterday urged local

authorities to "use the law at

every level" to frustrate the

Government's attempts to cut

local government spending by

Mr. Hattersley, who was

speaking at a Loudon con-ference of local authority

Labour groups, made it clear

that outright confrontation of

the Government's cuts would

Continued from Page 1

Imported

He said that Labour coun-

cars market

In June the total was just

under 20,000, although the

Cortina remained its top seller.

Fiesta sales, which have been

running at about 7,500 a month.

BL, with Austin Morris divi-

sion cars in free supply, took

demand — the market being

particularly bouyant even before

pre-VAT-rise buying gave it

BL's market share moved up

to nearly 21 per cent. It could

have done better if problems

with a new paint plant had not

cut the availability of some

Among the traditional im-

porters, Datsun led the way in

Datsun has been overtaken by

Renault of France, whose six-

month sales were 5.49 per cent

Japanese cars from supply con-

At the same time last year

Datsun had 6.56 per cent and

accounted for 10.9 per cent of

the June total against 9.3 per cent in June 1978. For the six

The top 10 cars in June were:

I, Ford Cortina (19,901); 2,

Ford Escort (15,208); 3, Austin Morris Mini (10,204); 4, Austin Allegro (9,636); 5, Morris

Marina (7,491); 6, Ford Granada

8, Ford Capri (5,712); 9, Vaux-hall Chevette (4,955); 10, Vaux-

(6,162); 7. Ford Fiesta (5,874);

straints, had 5.38 per cent.

Renault 4.18 per cent. Sales of Japanese

cent to 9.8 per cent.

of the market. Datsun, suffering with the other importers of

Jaguar-Rover-Triumph models.

were down to 5,800 in June.

be a "tactical error."

side interests." Mr. Eizenstat a re-scheduled television said in the memorandum about address — will be eagerly

by the Washington Post.

The magnitude of the crisis is reflected in the polls where.

Mr. Eizenstated noted, the latest Harris survey "shows something never seen before—

Descriptions opposent Royald survey date partially lifted the veil of carrier surrounding the Camp a Republican opponent, Ronald Reagan, leading you by several

the Carter Administration has had in presenting a united front to the energy challenge. Mr. Carter was nevertheless portrayed by White House officials as continuing, undismayed, painstaking efforts to build a public consensus behind new energy initiatives — meeting several state governors at Camp black, and Democratic Party officials on Saturday.

The outcome of the Camp

cils which broke the law and became "another Clay

enemies to focus attention on

the behaviour of one or two

councillors and thus divert interest from cuts in ser-vices endured by millions of

However, he believed that councils could limit the Government's ability to dic-

tate where the cuts should be

made. "It is for each authority also to decide if it can in effect avoid any cuts in services at all." he said. "You must use the right that

CONTROVERSIAL

But the paper, prepared by

the International Accounting

making body on international

company accounting matters,

will not carry the same degree

of support from the Basle Com-

mittee of Banking Supervisors

as the accounting bodies had

committee.

by Mr. Peter Cook from the

Bank of England, will simply welcome the paper as a contri-

bution to the debate on bank

BY JAMES BUCHAN IN JEDDAH

months the Japanese market cial has confirmed the discovery most exploration work, share was down from 11 per of a sizeable oilfield in Saudi's "We have not yet confirmed

which lifts 97 per cent of Saudi

Standards Committee—the rule

bankers.

The

June, but over the half-year and Switzerland and is chaired

would enable "our

where the U.S. commitment to keep its oil imports to 8.5m bar-

Vice-President Walter Mon-dale partially lifted the veil of secrecy surrounding the Camp David weekend talks, saying years. points."

The highly embarrassing leaking of this document is seen as
symptomatic of the difficulty

The difficulty

The highly embarrassing leaking of this document is seen as
symptomatic of the difficulty

The highly embarrassing leakrationing plan to replace the
one voted down by Congress in

The long queues outside petrol stations in many parts of the U.S. since then are thought to have changed the mood in Congress, which is now exected to give the President political such standby rationing priority, if he asks for it.

The Administration is also reported to have agreed to push development of synthetic fuels up to between one and two

the law provides to decide

increases, or other sorts of

financial arrangements, are

the right answer for your own

He stressed that the Govern-

ment did not have the power

to take "punitive action" to

drive back into line any councils that attempted to

and he promised that the Parliamentary Labour Party would fight "to prevent local authorities simply becoming the cyphers of central government."

Paper on bank accounting code

may be published despite hitch

cusion paper on international drafted at present, is described tainty as to the full extent of bank accounting practices may be published in spite of lastminute problems with central on Banking Regulations and not present a true and fair view.

Supervisory Practices of the

Group of Ten industrialised

sidering the need to harmonise

bank financial reporting stan-

dards and second, guidelines for the development of disclosures

in financial statements of banks.

The guidelines are prepared on the basis of what is believed

to be the best practice capable

practical application by

A section on undisclosed

reserves states that "such

reserves may result in oppor-

Saudis confirm 'very exciting' oil find

A SENIOH Saudi Arabian offi- crude and is responsible for terms, the field would have to

normern Empty Quarter, the "very exciting and very big new three fields mentioned in Kingdom's vast south eastern find."

Aramco's annual report for desert, in a zone called "designated area two" by Aramco, gested at the time that to "the time that the time that the time that to "the time that the time the time that the time

It has two parts: first, con-

countries and Switzerland."

PRESIDENT CARTER yester personally, as opposed to your David deliberations—which Mr. would be strong support in Congress for such a move.

agreement on the controversial proposal to scrap immediately Government controls on the price and allocation of domestic oil. This is favoured by Mr. James Schlesinger, the Energy Secretary, who has argued that

He has also criticised the present allocation system which his own energy department administers — as putting the gasoline where the cars

But Mr. Carter's political advisers, including Mr. Eizenstat, regard a further boost in this way to oil prices as political suicide. Mr. Schlesinger's influence inside the Administration has waned

with the mounting public criticism of his handling of energy policy and of his failure to present a coherent picture to

Yesterday's meeting of dele-

gates from over 60 local authority Labour groups un-animously agreed to campaign

against the proposed cuts. The

campaign would involve all

Labour groups on councils as well as trade unions and

Mr. Hattersley called on

Labour councillors to expose

the effects of the cuts by making "a precise and specific

calculation of what the cuts

will mean in their area—the

teachers not recruited, parks

to financial position or

Uncertainty about the future

of the discussion paper, some of

whose sentiments are said to be

found particularly worrying by

a number of EEC central banks,

official response from the Group of Ten regarding its deci-

sion on the extentof support, if any, it will give to the IASC dis-

cussion paper on bank disclo-

ment to the Board of LASC if

the Group of Ten should decline to lend its support to the paper,

represent additional capacity of 800,000 barrels a day. Dr. Taher

hesitated to estimate the size

of the field because drilling is

still going on, but he said it is

under 700,000

definitely

"It would be a disappoint

"The IASC has not had any

led the IASC to state:

Labour MPs.

The discussion paper, as of a bank and to cause uncer-

results.

sures.

tunities to distort, in varying and what we would do in this

degrees, the reported earnings case has not been decided."

gested at the time that to 3.1bn barrels to Saudi Arabia's qualify as exciting in Saudi proven reserves

moves to thwart **NEC Left**

INTENSIVE lobbying of the

the Executive to try to heal relations between the Parliamentary Party headed by Mr. Callaghan and the NEC, whose

TUC General Council.

Some moderates are no more optimistic this time, but they hope that the growing bitterness of the split between Left and Right will scare the unions

Lobbying will continue through the summer union conferences and the TUC in the

Brighton in October.

Vulnerable -Following the latest humilia-tions inflicted on Mr. Callaghan by the NEC last week-when decisions were taken against his wishes to reopen the issues of electing a leader and the annual reselection of MPs — leading members of the Shadow Cabinet are now preparing to speak publicly against the Executive. This tactic could lead to the most significant internal party conflict since the 1950s, but shadow Ministers believe it is imperative to bring matters to a head so that the party can use the years in opposition to draft policies on which to fight the next election rather than continue internecine warfare. wing members of the NEC are two members of the women's section, Miss Joan Maynard and Mrs. Renee Short, and a switch by one major union could lose them their seats. would probably be

shadow Foreign Secretary, to challenge Mr. Norman Atkinson as party treasurer, but Mr. Shore is unlikely to accept because of his desire to maintain his links with the Left. Mr. Atkinson is likely to repeat his comfortable win over Mr.

Weather

UK TODAY

BRIGHT intervals. Rain in some

Channel Is.
Cloudy, bright intervals. Some rain later. Max. 20C (68F).

Rest of England, Wales Cloudy with some rain, become

Rest of Scotland

Callaghan

leading Left-winger is Mr. Anthony Wedgwood Benn. But Mr. Callaghan and his colleagues admit that a similar strategy has been launched prior to the last two party conferences. It foundered because of the nowillingness of leading trade unions to switch their block votes, and because of the wheeler-dealing between unions for places on the NEC and the

ing a takover bid, for instance

the payout decision has usually been more related to imme-

diate tactics than to long term

The controls have introduced

serious distortions into the capital market. They made it possible for inefficient companies to raise equity capital.

dividend payments—in effect,

giving the shareholders their

own money back after the tax-

controls is only weeks away, directors have some tricky deci-

sions to take at a time when as GEC remarked plaintively last

been established." GEC's decision to limit its dividend in-

payment covered more than five

times by retained earnings was

more than doubled. So the

quicker the appropriate yard-sticks can be established, the

directors more cautious about

the need for retentions. This,

just as much as the existence of

statutory controls, explains why

the average level of dividend

cover has risen steeply since the

middle of the 1960s.

appropriate standards of

in order to finance exces

strategy.

out their bite.

decade.

replaced by Miss Betty Boothroyd and Dr. Shirley Summerskill, two moderates. An attempt is also being

made to draft Mr. Peter Shore,

London, S.E. and Cent. S. England, E. Anglia, Midlands,

Lake District, Isle of Man, S., Cent. and E. Scotland, N. Ireland Dry, sunny periods Max. 19C

ing dry with sunny periods. Max. 19C (66F).

trade unions to secure a change in the Lestward balance of the Labour Party's National Executive Committee has been launched with the full backing of Mr. Callaghan and moderate members of the Shadow The intention is to unseat at least two Left-wing members of

into action on the grounds that continuing conflict could see Labour out of office for a

first week of September until the Labour Party conference in

Sunny intervals, showers. Max. 17C (63F). Outlook: Dry, sunny periods.

Major court battle over Iran's telephones

BY ANDREW WHITLEY IN TEHRAN \$600m contract in the sum-

GENERAL Telephone and Electronics, the U.S. telecom-munications group, and Iran's Government have embarked on what is likely to be a long and acrimonious dispute through the courts. At stake are the future of Iran's massive telephone expansion programme and the troubled political relationship with the United States.

At the weekend the American company, which serves 14.3m domestic and 2.1m international telephones, lodged an appeal against a restraining order from a Tehran court, on behalf of the Telecommunications Company of Iran (TCI), preventing GT and E from drawing on the balance of approximately \$100m in a line of credit set up to fund the contract for the manufacture, installation and maintenance of 950,000 telephone lines.

Work began on GT and E's

mer of 1975, and was due to be completed this year, though final contracts were not sisned until December 1977. The Iranian state agency now claims that having paid out \$400m only 3,000 telephone connections are installed, but GT and E say they have installed 125,000 lines and received \$180m.

Much of the dispute centres on legal distinctions between GT and E International and its local subsidiary GT and E

The initial writ served against GT and E claims breach of contract on the grounds that GT and R International shipped \$135m worth of equipment to GT and E Iran after the latter had declared force majeure last September, when the anti-Shah disturbances were building up, disrupting much site

Negotiations for an out-ofcourt settlement have continued up to the last moment. with mediation led by Dr. Ibrahim Yazdi, the Foreign

For the Iranian Foreign Ministry the GT and E dispute with TCI is a major test case in future commercial Yazdi is believed to be parsettlement because of growing fears within the provisional lic sympathy towards the Left.

A short-lived accord was reached on Thursday evening for a 12-month moratorium on the shipment of equipment to Iran, allowing TCI a breathing space to sort out the confu-sion around its \$3bn programme.

Apparently the compromise was initially rejected by GT and E's headquarters, pre-

sumably on the ground that the corporation should not suffer unduly from a situation it did not consider its fault. But the company later reversed its position only to find that the Government was insisting on an 18-month moratorium, and the negotiations broke down. GT and E says force majeur was applied to only one site. It also points out that it is owed \$12.4m in long

delayed instalment payments and claims from had shown little active interest in settling the debt. The contract is well behind schedule, but this, the company says, is due to factors outside its control. Most foreign companies facing the problem of nonpayment by Iranian Govern-ment agencies are compelled to live with the problem by the need to limit their losses, and thus seek to complete their original contracts.

WORLDWIDE

The first days of freedom 1969 dividends on the FT more to grafify the in after years behind bars can be. Actuaries Industrial Group interests than anyone very confusing. After nearly Index were covered 15 times shareholders want to d after all, they can switch in portfolio themselves will having to pay the big swen involved in outright bases

very confusing. After nearly index were covered 15 times share seven years of non-stop status by attributable earnings. This after tory controls, company directors agure rose to a peak of 29 porth have got out of the habit of times in 1976 and was still as having thinking seriously about dividing as 26 times in 1978. More involved and policy. Their man composer, this is on the classis of bids, cern has been to pay the maximal fully-taxed earnings, and does mum allowable under the law, not allow for the fact that a marginal normal dividends have come to longer provide for deferred a roll be seen almost as a fixed tax. On the basis of published charge rather than a reward earnings, the average cover their for risk taking. Even when would be usefully higher insure making a rights issue or defending a takover bid, for instance.

However, these days is the cost margin is certainly worth ing for the stock market a rothless way of treating shares of companies that insurance is expensive, provided that their police ing or lowering their divid

in the win short-term grant frends.

One fear expressed by so companies in private is a too rapid an adjustment in payout ratio could entage in employees sheaf of a delic period of wage negotiated Yet BP, for instance, can pro-out that the his increase out that the big increase this year's payment will do a more than take the growth. dividends back into line with the growth in its earnings of the past decade. And it dangerous to be too tinsid, whatever the politicians say today there can be again at some point. Divide freedom has become the extion rather than the rule, since 1965 there have been less than three years in which form of restraint has he

Strategy

For most busine between 1 and 19 times by inflation adjusted exchines ought to be a conflict they can live with comfortably. Inflation has changed the more conservative. They will comparies to make a pume ground rules considerably since the last period of dividend freedom. It has meant that figures growth, and that they need to possible and also be growth, and that they need to possible and also be growth, and that they need to possible and also be growth, and that they need to possible and also be growth. good. But these claims cannot shown the way here Companies be taken too far, especially in which regularly pay out more a stagnant economy like that than they earn on a current of the UK Gennine growth cost basis will expect to be companies can finance them treated with reservation by may wish to build up reten stick to a dividend cover of tions in order to finance diver- more than around 1; Stockbrokers Phillips and sification—but it is at least oright to be ready for Drew have calculated that in arguable that such moves are critical questioning

NOTICE

to Midland Bank customers and the public

While normal services will be maintained in its branches. Midland Bank Limited regrets that as a result of industrial action threatened within the Bank delays may occur in the collection of cheques and the handling of other items. The Bank cannot, therefore. undertake that the processing of work will take place within the normal periods.



